

dup

FOREIGN AFFAIRS



RECEIVED

APR 20 1981

KENNEDY SCHOOL OF
GOVERNMENT LIBRARY

Spring 1981

\$3.75 a copy

THE WESTERN ALLIANCE

A Policy of Reliable Partnership—*Helmut Schmidt*

Inflation and American Power—*David P. Calleo*

Europe and Her Defense—*Pierre Lellouche*

The Enduring Crisis—*Josef Joffe*

Israel's Security—*Shai Feldman*

Japanese Security Policies—*Gerald L. Curtis*

Reassessing Nuclear Nonproliferation Policy—

Gerard Smith and George Rathjens

The Grain Export Boom—*Lauren Soth*

Public Diplomacy—*Kenneth L. Adelman*

FOREIGN AFFAIRS



SPRING 1981

A Policy of Reliable Partnership	<i>Helmut Schmidt</i>	743
Peacemaking in the Middle East: The Next Step ..	<i>Shai Feldman</i>	756
Inflation and American Power	<i>David P. Calleo</i>	781
Europe and Her Defense	<i>Pierre Lellouche</i>	813
European-American Relations: The Enduring Crisis ..	<i>Josef Joffe</i>	835
Japanese Security Policies and the United States	<i>Gerald L. Curtis</i>	852
Reassessing Nuclear Nonproliferation Policy	<i>Gerard Smith and George Rathjens</i>	875
The Grain Export Boom: Should It Be Tamed?	<i>Lauren Soth</i>	895
Speaking of America: Public Diplomacy in our Time	<i>Kenneth L. Adelman</i>	913
Comment and Correspondence	<i>Thomas Karis, Ernest van den Haag,</i> <i>Loy Bilderback, John C. Tierney, Charles G. MacDonald</i>	937
Recent Books on International Relations		945
Source Material	<i>Janet Rigney</i>	964

WILLIAM P. BUNDY

Editor

JAMES CHACE

Managing Editor

DAVID IVES

Assistant Editor

JENNIFER SEYMOUR WHITAKER

Associate Editor

LUCY EDWARDS DESPARD

Book Editor

SHEILA G. BRILL

Assistant to the Editor

MARK GAUTHIER

Editorial Assistant

MAE BENETT

Assistant to the Managing Editor

DORIS ELIZABETH FOREST

Publisher

GRACE DARLING GRIFFIN

Director, Promotion/Book Advertising

QUENTIN LEO

Advertising Manager

MARGARET K. KABLE

Assistant to the Publisher

NINA V. COHEN

Circulation Assistant

Editorial Advisory Board

A. DOAK BARNETT

PHILIP C. HABIB

HARRY C. MCPHERSON, JR.

JAMES H. BILLINGTON

CARL KAYSEN

WILLIAM M. ROTH

HARVEY BROOKS

JOHN J. MCCLOY

FRITZ STERN

Vol. 59, No. 4, Copyright © 1981, Council on Foreign Relations, Inc. Printed in the U.S.A.

EDITOR'S NOTE

As seems to be more and more the case, we have had to make difficult decisions in selecting the articles to appear in this issue. The problems affecting foreign policy are increasingly numerous and diverse, and all through its history *Foreign Affairs* has tried to take a broad view, covering not only the "high policy" that is the stuff of diplomatic cables but also the basic domestic elements that condition America's role and influence in the world. To take only the examples in this issue, inflation and soil conditions in the Farm Belt are all part of the warp and woof of contemporary foreign policy, even though none of these will be found in the State Department structure. And of course significant views from abroad have always been a central feature of the magazine.

The result, especially perhaps in the opening stages of a new American Administration, is that we habitually have more worthwhile articles than we can print. The rewards for appearing in our pages must always lie largely outside the modest honoraria we can offer; professional writers are a small minority among our contributors, albeit a most welcome one. Our forward planning is therefore limited and often provisional, and the amount of our editing suggestions conversely rather substantial.

So once again we apologize to those whose work we finally could not print for reasons of space. Making hard choices is the least appealing part of the otherwise exhilarating task (or trusteeship) of seeking to present to our readers the most illuminating and nourishing material we can find.

The articles in FOREIGN AFFAIRS do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries FOREIGN AFFAIRS can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there. The Editors.

Foreign Affairs is published five times annually by the Council on Foreign Relations, Inc., Editorial Office, 58 East 68th Street, New York, N.Y. 10021. The Editors will consider manuscripts submitted, but assume no responsibility regarding them. Cable address Foraffairs, New York. Inquiries concerning subscriptions, permissions and reprints should be sent to *Foreign Affairs* Reader Services, 58 East 68th Street, New York, N.Y. 10021. For information concerning *Foreign Affairs* advertising, telephone Quentin Leo, Advertising Manager, at (212) 734-0400. *Foreign Affairs* is a member of The Leadership Network advertising group located at 230 Park Avenue, New York, N.Y. 10017. Telephone Robert F. Sennott, Jr., at (212) 682-4500. Subscription price U.S. \$18.00—Foreign \$21.00 per year. Subscription air mail rates are available upon request.

Helmut Schmidt

A POLICY OF RELIABLE PARTNERSHIP

The beginning of the 1980s has been difficult, and the problems will be mounting as the decade goes on. Judging from the experience of the past year, the Western democracies' firmness, their resolve to stand their ground, and their willingness to cooperate will be tested, above all, in the following areas:

(1) *Confrontation and cooperation between East and West.* With its arms buildup the Soviet Union has been departing from the principle of military balance. In Afghanistan it has provoked the entire community of nations. At the same time, though, it is apparent that General-Secretary Brezhnev wants to keep the door to talks and negotiations open.

(2) *Independence and nonalignment of the Third World nations.* Today these are decisive factors in the world's political balance. They are, however, threatened by unsettled political conflicts, the taking of East-West confrontation to the Third World, and by the disastrous consequences of the oil price explosion and unchecked population growth.

(3) *The structure of a working world economy.* The consequences of the oil price explosion on the world economy affect all nations: in the West, and East, and above all the developing countries. They limit almost every government's room for maneuver in the areas of economic policy and finances. In many countries they are endangering social and political stability. In the process of the necessary reconciliation of differing economic interests, the danger of conflicts and tensions is growing within nations and in international relations.

In this situation there is little on which we can depend in shaping our policy. There are no simple solutions. The search for stability, or at the least calculability or dependability, has been a continual theme in the statements of all politicians at the beginning of this year. At the same time, though, we know that, again and again, political and military balance, as well as economic stability, must be reestablished, that conflicts must be contained

Helmut Schmidt is Chancellor of the Federal Republic of Germany. This article is being published simultaneously by the journal of the German Society for Foreign Affairs, Bonn, *Europa-Archiv*.

or settled in rapidly changing circumstances, and that all nations must soon jointly tackle the great challenges to the future of mankind in spite of all conflicts dividing them.

In the final analysis, stability will only be possible in the unsteady world situation in the 1980s to the extent that governments and politicians, but also businessmen, bankers and working people, can depend on each other's calculability. In view of the dual threat of nuclear catastrophe on the one hand, and economic and ecological catastrophe on the other, it will be of vital importance that nations and governments do not allow themselves to be swayed from a steady and moderate course by conflicts and tensions which are often of only artificial topicality.

II

The most important factor contributing to stability is and remains the partnership between Europeans and Americans. This historic partnership remains a constant of our policy. Our basic foreign policy orientation is not negotiable. Our American and our European friends as well as our partners the world over can depend on it. In addition, on no occasion have I left any doubt about this point in the minds of the Soviet leaders. In a ceremony at the Paulskirche on the occasion of the bicentennial celebration of the United States I said:

German-American friendship and alliance . . . have been a major and to us very tangible and lasting achievement in those thirty years. It is at the same time one of the factors that has helped maintain world stability, a factor which everyone can rely on and—with reference to third quarters—has to reckon with.

The European-American partnership, and thus the alliance founded on it, to us is not just a matter of power politics. To be sure, that is part of it. The Atlantic Alliance and partnership, however, above all reflect the fact that a community of nations shares the same fate—a fact which no politician could ignore even if he wished to do so. I should like to quote from my speech in the Paulskirche once more:

Apart from our historical and cultural ties, it is above all the human links that have engendered on both sides of the Atlantic that large measure of identity of political and social values that is today the solid foundation of our friendship.

Thus not only we Germans but all West European allies welcome the new self-confidence and determination which are becom-

ing apparent in the United States. After the American elections, President Giscard d'Estaing and I, as well as the other heads of government in the European Council, were agreed that Europeans could not but be happy to see an America which is determined to accept its international responsibilities to the full.

We Europeans are aware that only in its alliance with Western Europe can the United States meet its responsibility as a world power. America's political and military presence in Europe is an indispensable condition not only for the security of West Europeans but also for the American role as a world power. Only in close cooperation, mobilizing each partner's potential for the common cause, will Europeans and Americans be able to make their contributions to the world's political and economic balance.

We know from our own experience that it is difficult enough to set and maintain a clear foreign policy course within a democratic system. A parliamentary consensus and acceptance by various social groups often depend on factors other than foreign policy interests. This also applies to foreign policy cooperation among democracies. Basic national trends which influence elections and government opinion are sometimes in opposition to each other. Pacifist tendencies, national protest, isolationism or neutralism can occur simultaneously in different countries. The human weakness of blaming others can easily become a national tendency and cloud one's view of others' achievements.

We can learn from experience: a successful partnership among democracies calls for a high degree of sensitivity to the requirements of the democratic opinion-forming process in partner countries. In addition to the demanding task of domestic leadership, leading politicians are faced with the difficult task of coordination and consultation outside their countries. It was therefore an encouragement to me that President Reagan, who at that time had just been elected, and I were in complete agreement on the central role of early and close consultation among allies. I was also impressed by the fairness and openness with which Secretary of State Alexander Haig and others, in Senate hearings, expounded upon the vital contribution of the allies to our common security.

I have no doubts as to the West's ability to cope with its challenges and tasks. And I see no reason to abandon the Alliance's dual strategy of defense capability and willingness to cooperate. In the 14 years since the Harmel Report the political and military integration of the Alliance has increased. We Germans have thrown our full political and military weight into the scales of the

West, in three ways:

First, through our Ostpolitik we have, in constant consultation with our allies, settled difficult conflicts originating in the legacy of Hitler's war of conquest. Without our treaty policy there would have been no quadripartite treaty on Berlin. This treaty has made a substantial contribution toward reducing the danger of a clash of the nuclear powers in the heart of Europe. It was only on this foundation that it was possible to conclude the Conference on Security and Cooperation in Europe (CSCE) in Helsinki, in opposition to the original Soviet aims, with the explicit confirmation of North America's responsibility for European, and thus also for Atlantic, security.

Second, we have increased the size of the federal armed forces to a total of 500,000, consistently raised our defense budget by about three percent in real terms annually, and attained the capacity to arm and have ready for combat within a few days 1.2 million trained soldiers. Today we have at our disposal more than twice as many trained soldiers, in proportion to the population, as the United States. We provide about 50 percent of NATO's land forces in central Europe. More of the Alliance's military facilities are concentrated in German territory than anywhere else. We contribute more defense aid to our partners Turkey, Greece and Portugal than any other partner in the Alliance with the exception of the United States.

Third, along with our partners in the European Community we have made progress in working out common positions on major international issues. Western Europe's weight and influence in world affairs and its contribution to political balance between East and West have grown. The decisions by Greece, Portugal and Spain to join the European Community also significantly strengthen democracy in Europe.

I might add that the Germans and the French as well as the other European partners are aware that the great political and economic achievements of the European Community are unthinkable without German-French cooperation—an "*entente parfaite et sans faille*," as President Giscard called it. This was, historically, the core of the new Europe, and so it remains. The statements which President Giscard and I issued in February 1980 and again in February 1981 contain the substance of a joint foreign policy, a European contribution to today's Western policy on world affairs. What Henry Kissinger said in 1976 in his Alastair Buchan Memorial Lecture is true now more than ever: "A vital and cohesive Western Europe is an irreplaceable weight on the scales

of global diplomacy. American policy can only gain by having a strong partner of parallel moral purposes.”

III

Western policy continues to center on maintaining a balance of military forces. The members of the Alliance are faced with the urgent task of reestablishing the balance which the Soviet Union upset through its advance in two spheres: in the Third World and through the rapid development of a new nuclear medium-range capability for which there is no adequate counterbalance on the Western side.

There is no doubt about this: our security depends, among other things, on a secure supply of energy and other raw materials. The Soviet advance in Afghanistan, Yemen, Ethiopia and Angola affects Western security interests for which the Atlantic Treaty does not give exhaustive geographical definition.

For us Germans, however, military contributions outside the contractually defined NATO territory are subject to limitations which will be understood by everyone who is familiar with our more recent history and our Constitution, which drew the appropriate conclusions from that history. As our allies know, we shall not, however, be inactive in the Alliance while other allies protect interests which we share outside the NATO area. Through an active policy of economic and political partnership, we shall moreover help the countries of the regions concerned to maintain their independence. I am thinking of our support for Pakistan or for Somalia and the nations of southern Africa.

A vital question in Europe is the implementation of the NATO dual decision of December 1979. We cannot do without the stationing of American medium-range weapons in Western Europe as long as the Soviet Union, with its new SS-20 missiles, poses a threat to the whole of Western Europe, the Mediterranean countries and the Middle East, as well as important parts of Asia. Owing to their limited range, the SS-20s are directed not at the United States but practically only at countries which cannot reach the Soviet Union with similar weapons. Thus the Soviet Union has upset the military balance in Europe and created for itself an instrument of political pressure on the countries within the range of the SS-20, for which the West so far has no counterbalance.

The partners in the Alliance have linked the necessary decision on modernization with an offer to negotiate with the Soviet Union at the same time on limiting land-based nuclear medium-range missiles. This was done to prevent an arms race, to prevent mutual

increases to higher and higher levels, which would create new dangers, provide no additional security, and demand of both sides unjustifiable economic sacrifices. The intention is to clear the path for the Soviet Union to remedy the dangerous mistake it made by upsetting the balance.

At the same time, the members of the Alliance owe it to their own public to show that they are doing everything in their power to stop the uncontrolled growth of nuclear arsenals, the dangers of which, for geographical reasons, are particularly apparent in my country. Only a policy which aims at the necessary military balance at the lowest possible level—to be agreed upon jointly—can count on the public's full approval in the countries of Western Europe. Our people expect preparation for the stationing of American medium-range weapons to be accompanied by the active implementation of the second part of the dual decision. This is why I made the following comments before the Bundestag:

This dual decision by the Alliance is, militarily, an indispensable part of Western strategy and, politically, a test of the Alliance's solidarity. Whoever, in the current world situation, calls this dual decision or one of its two parts into question calls the Alliance into question.

Since the Federal government regards the dual decision as vitally important for the security of Europe, it has strongly supported arms-control negotiations between the superpowers. It has always supported a continuation of the SALT process. During my talks in Moscow last summer the Soviets gave first indications of a willingness to respond to the NATO offer of negotiations on medium-range weapons. The talks began last fall in Geneva, and I hope and trust that they will be taken up again this year. I can only concur with President Reagan's statement in his message to Congress on February 18:

We remain committed to the goal of arms limitation through negotiation. I hope we can persuade our adversaries to come to realistic, balanced and verifiable agreements. But, as we negotiate, our security must be fully protected by a balanced and realistic defense program.

Thinking about our security I inevitably find myself coming back to the principle of balance. An approximate balance of forces is and remains a necessary element in maintaining peace. That alone, however, is not sufficient as a condition for peace. The willingness to talk to one another and to be open to others and their interests is also necessary. That is, practically, the will to stabilize the balance politically.

In the present circumstances this approach seems to me to be promising, provided that two conditions are met: the first is basic agreement that security can only rest on the balance of forces. This precludes, as stated in the German-French statement of February 6, 1981, "the acceptance of a position of weakness as well as the quest for military superiority." Confidence-building measures in the military sphere which we are striving for with the aid of a conference on disarmament in Europe, about which negotiations are currently being held in Madrid, could politically prop such a basic agreement. The fact that General-Secretary Brezhnev has now declared his fundamental willingness to apply such measures in all the European part of the Soviet Union represents substantial progress. The second condition is that the West give convincing signals of its determination to allow no shifting of balance in favor of the Soviet Union.

In view of the difference in political systems it is inevitable that the Soviets speculate on what must appear to them to be the weakness of Western democracy: our public debate on questions of security and defense. We can demonstrate that the democratic decision-making process also means strength. The European partners in the Alliance must give the first signal by making the necessary preparations for the implementation of the dual decision. At the same time, though, the United States must vigorously work toward arms limitation talks between the superpowers.

IV

The troubled beginning of the 1980s has made it apparent that the will for independence, self-reliance and nonalignment has become the strongest political force in the countries of the Third World—perhaps the only one uniting them. Traditional psychological strains on their relations with the West are therefore becoming less prominent. The totally inadequate development aid by the Soviet Union, its lack of cooperation in finding peaceful solutions to conflicts, and above all its invasion of Afghanistan have opened the eyes of many in the Third World. This important political and psychological turning point in the developing countries is, at the same time, a confirmation for the West that it is on the right path with a policy of equal partnership as well as with its material aid, its political support for peaceful solutions to conflicts, and its active participation in the United Nations. It is now up to us to increase and turn to best advantage this political capital, which we have accumulated at the price of great effort and material sacrifice.

The Western democracies' status and prestige in the countries of the Third World are not simply a function of East-West confrontation. We need not allow the Soviet Union and its helpers to dictate how we are to act. There is no reason at all for us to share the burden of the Soviet Union's inappropriate development policy, for example by unnecessarily putting the label of East-West confrontation on conflicts in Third World countries. We must respect the Third World countries' desire for nonalignment as well as their will to bring about genuine reforms. This is in keeping with our own conception of worldwide cooperation in partnership. It does not preclude the possibility of Western democracies helping their partners in the Third World to safeguard their state of nonalignment through their own defense capability. But the decisive contribution of the Western democracies to worldwide partnership must be made in the field of worldwide economic cooperation and by providing political assistance in the peaceful settlement of regional conflicts.

We Germans were delighted over the happy solution to the hostage affair in Tehran and appreciate the recognition which our contribution to the release of the hostages found in America. But this was a solution to only one of the many conflicts standing in the way of worldwide cooperation in partnership. I think that the Western democracies' position and influence in the world can be used even more systematically to contain conflicts and find peaceful solutions to them. We have not yet exhausted the means of cooperation—in the international organizations, in coordinated bilateral action and, particularly, by sharing the load of responsibility. Here, too, credible support for the independence and self-reliance of Third World nations will stand us in good stead.

Support in the development of regional structures for economic cooperation and security seems to me to be especially important. This offers, in the long run, the best prospects for effectively containing regional conflicts and keeping alien powers out of them. Here Western Europe can offer the benefit of its own experience. Economic cooperation between the European Economic Community and the Association of Southeast Asian Nations (ASEAN), for example, is now being supplemented by consultation and the intensive exchange of political views. The wide network of cooperation agreements between the EEC and most Third World countries also opens up channels of political communication. In southern Africa we now have the chance, after Zimbabwe, to help Namibia also to achieve independence. With their diplomacy in the framework of the United Nations, the five

Western countries have made substantial progress. They should now carry on their efforts even more vigorously.

In the Middle East, Americans and Europeans have built up close relations with all of the nations of a region whose political stability plays a central role in the supply of energy and in the world's political balance. I cannot predict if and when the rigid fronts in the Middle East conflict will become more flexible. But I think the time will soon come for Americans and Europeans to consider together how, through concerted, if not necessarily identical, diplomatic action, they can contribute to a comprehensive, just and lasting peace settlement.

v

In the world economy we must cope with the fact that the OPEC nations achieved a balance-of-payments surplus of more than \$100 billion last year, which means that the other nations had a deficit of the same magnitude.

As a result, signs of crisis are perceptible in all industrial countries: marketing and trade difficulties, problems of financing, protectionist tendencies and, above all, unemployment. Everywhere we are faced with the need for painful structural changes, for an expensive adjustment to alternative production techniques conserving energy and raw materials and to new energy sources, as well as meeting the requirements of a worldwide division of labor. If we do not now resist the temptation to isolate ourselves with our problems and to seek refuge in protectionist formulas, we will be in danger of drifting together into a world economic crisis of unknown dimensions.

First priority should therefore be given to the task of maintaining a working world economy. The Western industrial nations will very soon have to coordinate their policy in that field. But in the long run this coordinating mechanism is not enough. The oil-exporting nations must be involved, above all Saudi Arabia, whose annual current-accounts surplus of \$40 billion indicates its position as the world's largest energy supplier and creditor. The Soviet Union, too, as a large industrial nation will not be able to remain in splendid isolation but, increasingly, will have to face its responsibility for the world economy (as well as its moral and economic obligations to the developing countries). After all, Poland's economic problems are not only a result of domestic factors.

Those who are most severely affected by the structural crisis of the world economy, however, are the oil-importing developing countries. According to estimates by the International Monetary

Fund, the current-accounts deficit of these countries will grow from slightly over \$62 billion in 1980 to almost \$70 billion in 1981. This means that the total amount of development aid (ODA) by the Western industrial nations can only play an inadequate role. In 1980 it amounted to slightly over \$23.5 billion while the annual increase in the developing countries' oil bill from 1979 to 1980 amounted to almost \$24 billion. Moreover, there are the catastrophic effects of too-rapid population growth in many of these countries. That which in the industrial countries leads to unemployment, painful structural change and problems in economic growth means increased hunger and starvation in the developing countries.

We regard overcoming hunger and want and promoting the economic development of disadvantaged regions of the world as both a humanitarian necessity and a necessary contribution toward securing peace on a long-term basis. There are no simple formulas for future cooperation between North and South, nor for the North-South dialogue. This dialogue must, above all, see things as they are. This leads to the following priorities:

(1) No nation in the world can refuse its share of common responsibility, neither the developing countries, nor the state trading countries of Eastern Europe, nor the oil-producing countries, nor the large Western industrial nations.

(2) A solution to energy problems is of vital importance. Here the OPEC countries are called upon not only to make direct investments, to provide grants and make contributions to the recycling process, but also to be willing to engage in a dialogue between oil producers and consumers. The industrial countries are called upon to cut down on the use of oil and develop and utilize new energy sources and technologies.

(3) Population growth control is unavoidable. We cannot hope to ensure a life in dignity for six billion people in 20 years or for ten billion people 30 years later.

(4) Official aid by the industrial nations continues to be necessary. Equally important, however, is private investment, at the same time the most effective instrument for the transfer of technology. And still far more important is the progressive integration of the developing countries in international trade relations which, in turn, requires the willingness of the industrial nations for structural change in their own countries.

(5) Equally important is the willingness of the developing regions for multilateral cooperation.

These questions are to be discussed at the proposed North-

South summit meeting in Mexico. That summit should not negotiate, nor should it be considered a matter of political prestige. What it should do is clarify political priorities among heads of government and provide political impulses for a realistic North-South dialogue.

VI

Ten years ago, in this periodical, I wrote the following on East-West relations: "Not unlike President Nixon, the Bonn government is also trying to 'build agreement upon agreement' without in any way deluding itself that this could be a process easily or speedily accomplished."¹ In February of 1980—after Afghanistan—President Giscard and I had to conclude that "détente would not survive another blow of this kind." A year later we repeated this in view of the situation in and around Poland. This time, unlike 1970, we were able to invoke the duty of political moderation which the Final Act of Helsinki imposes on all signatory nations. It has now become a recourse for all Europeans in East and West.

After the experiences of the last ten years we must conclude that West-East policy still contains elements of confrontation which require great vigilance. However, it also contains essential elements of cooperation which make the dialogue seem promising. In practical terms this means cooperation on the foundation of a balance of military forces. I should like to expound on this in the light of the experiences of the difficult past year:

Last summer I went to Moscow because I was convinced that, particularly in times of crisis, contact must not be lost. I made it very clear to the political leaders in the Kremlin where we Germans stand and what our views are. I was able to do this because our positions had been previously coordinated with our partners in the Alliance. I listened and tried to gain an impression of the persons involved and of political opinion-making in the Kremlin. It was my impression that the understanding of the leaders in the Kremlin for the long-term tasks of world economic and political cooperation is growing. The present generation of leaders in the Kremlin is still aware, from its own experience, of what war means. My conclusion is that, precisely because relations are difficult and extremely complex, we need not less communication but more. A meeting between President Reagan and General-Secretary Brezhnev at the appropriate time would thus

¹ Helmut Schmidt, "Germany in the Era of Negotiations," *Foreign Affairs*, October 1970.

be a logical step in current East-West relations.

The German treaties of the past ten years with Moscow, Warsaw and Prague, the basic treaty with the German Democratic Republic, and the Quadripartite Treaty on Berlin are, along with the Final Act of Helsinki, a strong foundation for admittedly limited yet dependable cooperation. I know from a great number of talks what this means for the citizens of the countries of Eastern Europe. It also means a great deal for a nation and a divided people in Germany's geographical and political situation. A leading statesman from the Third World wrote the following to me after a visit to the Federal Republic of Germany last year:

Soviet armed forces on the FRG's borders for the last 35 years have taught the Germans to adopt a foreign policy that does not oscillate between arrogant assertiveness and humiliating acquiescence. As a result many people have come to recognize that the FRG can be depended on to chart a firm middle course, one that eases East-West person-person and state-state relations, without tilting the balance in favor of the Soviets in the longer run.

My conclusion is that treaties and agreements between East and West can lead to admittedly limited, but, as a whole, dependable cooperation between treaty partners.

Economic exchange with the East is in the interest of both sides. There is truly little danger of one-sided dependence: only some two percent of our exports go to the Soviet Union. Our volume of trade with Switzerland, for example, is twice as great as that with the Soviet Union.

In the longer term, I regard two considerations as important: First, cooperation in energy policy which can reduce Western Europe's heavy dependence on the Middle East and concentrate the interest of the Soviet Union on Siberia's sizable gas and oil reserves. In this connection it goes without saying that we do not want to exchange one kind of dependence for another. Second, gradually bringing the Soviet Union to accept its share of responsibility for a working world economy and a reconciliation of interests between industrial and developing countries.

My conclusion is that carefully balanced economic partnership is in the interest of both sides.

VII

We will only be able to meet the challenges of the 1980s effectively if we orient our policy, beyond the necessities of day-to-day politics, on the longer term standard of reliable partnership.

This policy of reliable partnership begins with and is based on

cooperation among democracies. It should help us to translate the internal strength of democracy into effective foreign policy. I, for my part, have never shared the fainthearted belief that democracies, in their foreign policy, must always vacillate between unpolitical credulity and the equally unpolitical demand for punishment of the other side. In a democracy, too, one can understand that world politics is always power politics, especially between nations which are rivals in their political convictions, social structure and size.

I appreciate the fact that President Reagan has repeatedly promised frequent and close consultations with the allies. It would also be desirable to agree on a global concept for Western policy, with shared responsibilities, to face the challenges of the 1980s.

Finally, reaching beyond the necessary confrontation, I think the elements of cooperation which have been built up in the last ten years with the Soviet Union and its allies must be developed further. Thus we must carefully see to it that longer term chances for cooperation are not spoiled by the necessary short-term confrontation or even tests of strength. This is why I believe that, in addition to the further development of contractual and economic cooperation—on the basis of balance—we should also take to heart the elements of international crisis management which I named in May 1978 before the United Nations:

- avoiding provocation;
- clearly explaining to the other side the choices and options open to us;
- defusing dangerous situations through willingness to compromise;
- enabling those involved to save face.

Shai Feldman

PEACEMAKING IN THE MIDDLE EAST: THE NEXT STEP

Three years into the Camp David process, it is time to question its continued usefulness. On the level of their bilateral relations, Egypt and Israel continue to fulfill their respective obligations under the 1978 Accords and the March 1979 Peace Treaty. Yet attempts to elaborate and expand upon these agreements in an effort to achieve a comprehensive Middle East peace have met enormous obstacles. Negotiations over the proposed “autonomy” for the West Bank and the Gaza Strip are nearing a dead end. At issue are the most fundamental national aspirations and interests of the parties involved. Their differences on these issues can no longer be papered over by ambiguous legal formulations. Efforts to overcome these various problems incrementally are unlikely to produce significant results.

II

In Israel, enthusiasm for the proposed West Bank autonomy has withered—a process that began almost as soon as the plan was conceived. Increasingly, Israelis conclude that “real autonomy” can lead only to an independent Palestinian state—a perception which is not shared by their Palestinian neighbors. The fundamental problem from Israel’s perspective is whether it can afford to yield control over the West Bank. The area’s proximity to the state’s essential core makes this a critical issue. The establishment of a possibly radical Palestinian state so close to Israel’s heart is a source of much Israeli concern. Fear that such a state would threaten Israel’s very existence is widely shared.

With such fears, Israel’s flexibility in the autonomy talks is necessarily limited. Making concessions is difficult because each issue—from the proposed unit’s water system to the source and nature of authority—is weighed for its impact on the end result: an independent state or otherwise. Whether or not Israel’s fears regarding an independent Palestinian state are entirely justified

Shai Feldman is a research associate at the Center for Strategic Studies, Tel Aviv University.

is a question well worth examining. For the moment, however, it is politically significant that such concerns are widespread and are likely to block attempts to establish a "real autonomy" in the West Bank. Israel's stakes in the autonomy talks are enormous; her ability to compromise is limited.

Other parties to the "autonomy" talks do not enjoy greater room for maneuver. At stake for Egypt is her ability to escape her present isolation within the Arab world. Having broken ranks with her former allies by signing a separate peace treaty with Israel, Egypt must now devote much effort to restoring her regional ties. To achieve this goal, Egypt needs to demonstrate that she continues to care for her Arab brothers. Her ability to establish her former position of leadership in the Arab world requires that she champion the Palestinian cause with no less enthusiasm than her chief competitors. Egypt must show that her political strategy will bring greater gains for the Palestinians than will the "military-confrontation" strategy of Syria and Iraq. Her ability to deliver Palestinian self-determination would provide conclusive evidence of the utility of her political approach.

Conversely, without movement on the Palestinian issue the entire peace process between Egypt and Israel will falter. Under such circumstances, the political costs involved in Egypt's continued pursuit of the process may be too high for her to bear indefinitely. And, since her control over the Sinai peninsula will be fully restored after February 1982, Egypt's incentives to further develop her peaceful relations with Israel may diminish. Thus, Egypt's stakes in the "autonomy" talks—and generally in the fate of the West Bank and the Gaza Strip—are exceedingly high.

It appears, then, that Israel's national security is affected by the future of the West Bank in two critical ways. Should Israel forego control over the territory, she may become exposed to the risks resulting from the area's proximity to her essential core. Should she refuse to relinquish control—thus preventing Egypt from delivering Palestinian self-determination—the strategic implications of Egypt's possible withdrawal from the peace process will have to be faced. The possibility that Egypt might join a future Arab war coalition against Israel cannot then be excluded. This trade-off constitutes Israel's greatest strategic dilemma today.

For the Palestinians, the ever-absent party to the "autonomy" triangle, the dilemma is no less cruel. The Camp David agreement calls for the participation of West Bank Palestinians in the autonomy negotiations. However, the latter refuse to join the talks until permission from the Palestine Liberation Organization is received.

The PLO, in turn, faces three difficult choices. By refusing to sanction the participation of local Palestinians in the autonomy talks, it loses a clear opportunity to exert indirect influence over the negotiations' outcome. On the other hand, were the PLO to permit such participation, it would risk the possibility that the West Bank leaders would exploit the talks to establish independent power bases of their own. A third PLO option—joining the negotiation process directly—is likewise hazardous. Its advantage would be in providing the PLO, for the first time, with direct leverage on the negotiations' outcome. However, such a move would have to be made outside the Camp David framework, which recognizes no role for the PLO. In addition, it would require that the PLO meet America's preconditions for negotiation: recognition of Israel's right to exist, and acceptance of U.N. Resolutions 242 and 338, which envisage a peaceful settlement entailing Israeli withdrawal from occupied territories in return for Arab recognition of Israel's integrity as a sovereign state within secure and recognized boundaries.

The PLO chief, Yassir Arafat, well understands that such recognition would put enormous political pressure on Israel to negotiate directly with the PLO. However, the costs involved in such a move would also be substantial. The PLO would have to give up its most valuable card, its unifying ideology. In implementing such a change, Arafat would also be certain to face violent opposition from Palestinian extremist factions. A similar response could be expected from Syria, which fears that the fate of the Golan Heights might sink into obscurity once it remained the only unresolved issue. Uncertain of the negotiations' outcome, Arafat prefers to avoid the costs involved in a move toward direct participation.

Thus, for the Palestinians as well there is no risk-free path in the autonomy talks. Their stakes in these negotiations are exceedingly high. At issue is whether or not the proposed "autonomy" framework may yield the creation of a political unit under which Palestinian self-determination could be achieved. The critical nature of the issue, and the potentially high costs associated with alternative Palestinian actions, result in a reluctance to make any concessions—including the very willingness to participate—as may be required to move the autonomy talks from dead center.

The three regional partners to the proposed autonomy scheme are thus completely deadlocked. Substantial progress in these negotiations is extremely unlikely. As long as the issues involved are weighed in their present context, a regional settlement is

unlikely to result. An alternative framework is urgently needed.

III

The proposed "Jordanian option" is unlikely to provide a viable alternative to the "autonomy" framework. This option calls for Israeli-Jordanian negotiations aimed at returning large portions of the West Bank to Jordan's control. However, whether King Hussein would agree to negotiate such a deal is still a question. At present, Israel will not—indeed, cannot—meet Hussein's minimal condition for such talks, namely an expressed Israeli willingness to withdraw from the entire West Bank, including East Jerusalem. Small wonder, then, that Jordan's king remains dubious about the entire exercise, emphasizing his acceptance of the PLO's role as the Palestinians' only legitimate representative.

Hussein's dilemmas are numerous. Excluding the West Bank, Palestinians already comprise more than half of Jordan's population. This in itself threatens the durability of the Hashemite regime. If the West Bank were to return to Jordanian control, its population would be some three-fourths Palestinian, making the kingdom that much less stable.¹ In stark contrast to the situation prevailing prior to the 1967 War, most Palestinians are now extremely self-conscious of their national identity. Hence, controlling them would be much more difficult. This is why many Jordanians are less than enthusiastic about the prospect of the West Bank's return. In particular, Crown Prince Hassan as well as the Queen Mother are known to have been skeptical about the wisdom of assuming responsibility over the West Bank.

King Hussein apparently shares these concerns, but also sees perils in the suggested alternative. Abandoning the West Bank implies a vacuum to be filled by the PLO. An independent radical state there could unleash irredentist pressures among the large Palestinian population in the East Bank, clearly endangering the Hashemite regime. Moreover, having lost the West Bank in 1967 by misreading the region's balance of forces, Hussein feels responsible for its inhabitants' fate. Negotiating the West Bank's return to Arab sovereignty would allow him to recover his lost dignity. Were it apparent that Israel would negotiate with no one else, Hussein would probably tilt toward accepting such a role.

The balance of Jordanian interests does not add up to a clear-cut choice. There is ample rationale both for negotiating the return of the West Bank to Jordanian control and, conversely, for

¹ Aryeh Shalev, *The Autonomy: Problems and Possible Solutions*, CSS Papers, No. 8, Tel Aviv: Tel Aviv University, Center for Strategic Studies, January 1980, p. 44.

abandoning the area to its fate. Recently, however, Hussein is reported to be moving closer to the first alternative. Both Crown Prince Hassan and the Queen Mother are said to have dropped some of their previous objections. Moreover, indications point to a Jordanian effort to elicit Iraqi support for a negotiation drive. The success of this effort may affect Hussein's future room for maneuver. Yet the king remains of two minds, fearing the domestic consequences of renewed Jordanian control over the West Bank. He therefore insists that such renewed control be established only in the framework of a deluxe settlement: Israeli withdrawal from the entire West Bank. This, he hopes, would reduce external criticism of his move and strengthen his ability to deal with the expected opposition within the West Bank itself.

Hussein may be willing to negotiate a Jordanian option, but only "on condition." The condition—complete Israeli withdrawal—leaves little to negotiate. Hussein's position is therefore very far from that of those advocating the "Jordanian option" within Israel. The feasibility of that option as an alternative framework to the "autonomy" scheme is at best questionable.

IV

Israel's body politic is presently engulfed by two sets of illusions. The first is that a West Bank autonomy of a type that would not evolve into an independent state could be agreed upon with Egypt. The second is that a settlement not requiring Israel's almost complete withdrawal from the West Bank could be negotiated with Jordan. In contrast to the autonomy Israel's present government would prefer to establish in the area, both a "real autonomy" and the "Jordanian option" require that Israel withdraw from the West Bank. The fundamental question is not which of these options should be pursued, but rather whether Israel can afford to meet the prerequisites of either.

The central contention advanced here is that so long as the West Bank continues to occupy its present pivotal role in Israel's national security policy, neither the "real autonomy" nor the "Jordanian option" can materialize. The key to significant progress toward a more comprehensive Middle East peace is that the issue of the West Bank be considered in a novel strategic context. This context, in turn, should provide Israel with an entirely new national security package. Within this package, the West Bank should have a far less pivotal role than its present one.

Before we outline such an Israeli national security package, a word is appropriate about the context in which it should be

weighed. Israel's prolonged control of the West Bank, now extending over almost 14 years, has presented Israel with the most fundamental existential dilemma. Zionist ideology calls for the return of Jews to their land and the establishment of a Jewish state there. Those who laid the foundations for the new Jewish state insisted that it be established on the principles of social democratic justice, and that the character of the Jewish individual be altered. Primarily, this implied three things: first, a conviction that in order to prevent a recurrence of pogroms and the Holocaust, never again should Jews place their fate in the hands of others. In political terms this meant that Jews would achieve salvation only by the creation of a Jewish state, i.e., one in which Jews would constitute an absolute and overwhelming majority. Second, it implied the constant cultivation of democratic principles even while the Jewish community in Palestine—and later the Jewish state—faced external challenges to its very survival. Thus, even when the state was threatened by a combined Arab effort to annihilate it, Israeli Arabs were granted human rights and complete access to the state's political institutions. Finally, it implied that Jews rid themselves of the image traditionally attached to them as small merchants and middlemen, and assume a new character of productive people, tilling their own land and engaging in the manufacture of a wide spectrum of industrial goods. David Ben-Gurion, Israel's founding father and the state's first Prime Minister, devoted much of his energy to this threefold political-cultural revolution.

Prior to the June 1967 War, Israel's national character largely resembled the image set forth by the social democrats who laid the foundation for the new Jewish state. Israel's moral strength during those years was based on two principal elements: a political leadership that navigated the state under a well-defined political strategy which, in turn, was derived from a clear conception of the Jewish state's preferred character; and a political reality that did not require or induce major compromises of the three central characteristics of the new Jewish state.

The 1967 War changed all this. The territories acquired by Israel in the war included over a million Palestinian Arabs. Moreover, the traumatic experience of the war's eve—when all the principal Arab armies were massed along Israel's frontiers—revived fears of imminent annihilation. A recurrence of the Holocaust, though in reality quite remote in 1967, was considered to be more than a theoretical possibility. After the war, this trauma led to an Israeli demand for "secure borders," a demand often

equated with long-term control of the West Bank. Such control, however, presented Israelis with an agonizing philosophical, ideological and political dilemma. If a million additional Palestinian Arabs within the "secure borders" were to be given full political rights, Israel's character as a Jewish state would be compromised, with the prospect of Jews declining into a minority status sometime after the year 2000. If the Arabs were to be denied such rights, the state's democratic character would be compromised. Moreover, the influx of Palestinian manual laborers from the West Bank and the Gaza Strip meant that they, increasingly—instead of Jews—would till the land and construct the houses. This jeopardizes the third Zionist goal, of creating a new Jewish character. The response of Israel's leaders to this dilemma was either to ignore it or to regard the situation as transitory, thus not requiring that it be addressed immediately.

Israel's moral fiber weakened after the 1967 War because the two principal sources which had sustained it up to that point no longer existed: a new reality threatened to compromise the preferred character of the Jewish state; and Israel's leaders refused to address the apparent dilemma, thus allowing the state's character to be eroded. Increasingly, Israelis raised fundamental questions about the purposes of their state and the nature of the road it was taking. Basic political and moral objections to Israel's foreign and defense policies were raised: many Israelis queried whether their leaders' demand for absolute security would not lead to permanent war. Such objections found widespread expression during the 1969–70 War of Attrition, and later, as Israelis found that controlling the increasingly hostile Palestinians in the West Bank and the Gaza Strip was a rather unpleasant proposition. Thus, Israel's national consensus on the basic principles of its policy was significantly eroded.

Seen from this perspective, Israel has a fundamental interest in ridding itself of control over the West Bank. Numerically inferior to its adversaries, the state must rely on superior quality and high motivation among its citizens. To withstand their more numerous enemies, Israel's citizen-soldiers must be completely persuaded of the purposes of their state's policies. Once its national consensus is lost, Israel's very survival is in question. A return to lines approximating those held prior to the 1967 War implies both the return to the borders of a Jewish state and the reconstruction of its national consensus. It would constitute a reestablishment of the common denominator uniting all Israelis. Were they ever attacked again, they would at least enjoy a common purpose and common

conviction that they had done everything possible to establish peace. Thus, the high motivation of Israel's soldiers will not be in doubt. This by itself is a major factor to be considered in weighing the security risks associated with giving up control over the West Bank.

Israel's withdrawal from the West Bank could be implemented only in the framework of a new national security package encompassing four elements: first, a new role for Israel in the Western alliance system; second, security arrangements in the West Bank for the post-withdrawal era; third, an international economic effort to maximize both West Bank economic development and its interdependence with the economies of Israel and the more pro-Western Arab states; fourth, an explicit nuclear deterrence posture. Within such a national security package, the significance of the West Bank would decline. This would allow Israel to recognize Arab sovereignty over the entire West Bank and to withdraw from almost all its territory.

v

The first element in Israel's proposed national security package is an enhanced role in the Western alliance system. More precisely, Israel should be made an integral part of the alliance's efforts to secure Western interests in the Persian Gulf. This would increase Israel's deterrent profile: potential adversaries would be made aware that the Western alliance system has important stakes in Israel and that an attack on her could lead to a direct clash with the alliance.

Israel has often tried to justify continued American support by emphasizing its strategic importance to Western defense. So far, however, this contribution has been limited in scope. In peacetime it was manifested mainly in the field of intelligence and in special exchanges such as the technological research of captured Soviet weapons. In wartime, Israel has often served as a testing ground for America's modern weapons-systems. A more dramatic Israeli contribution occurred only once, in September 1970, during the Syrian invasion of Jordan. At the request of the United States, Israel rescued Jordan by denying Syria the ability to concentrate its entire armored force against the Hashemite Kingdom. However, such contributions were the exception, not the rule. America's commitment to Israel is strong, but it is based on a cultural, ideological and moral affinity—not on strategic interests.

In light of the revolution in Iran and the Soviet invasion of Afghanistan, a need to strengthen the Western military presence

in the Middle East has clearly emerged. A number of Israelis have suggested Israel's possible contribution to such an effort. On the whole, however, these offers were politely rejected. Clearly, Saudi Arabia and other Gulf states would not agree to the United States defending them from Israeli bases. This would continue to be the case at least as long as the issues of the West Bank and East Jerusalem remained unresolved. Conversely, Israel's withdrawal from the West Bank and the as yet unspecified solution to the problem of East Jerusalem should make a major Israeli role in the Western alliance possible. Negotiating Israel's withdrawal should be linked to its new role in the alliance: only if the latter is achieved would Israel be able to implement the former.

The United States should welcome such a *quid pro quo*. Washington is finding it increasingly difficult to sustain simultaneously its commitment to Israel and its interests in Saudi Arabia and the Gulf states. The Reagan Administration is particularly sensitive to this problem; many of its members are strongly committed to Israel and see it as a potential strategic asset to the United States, while many others are extremely attentive to U.S. interests in Saudi Arabia and the Gulf states. Seen from this perspective, America must adopt an approach that would make its support of Israel not detrimental to its close ties with Saudi Arabia. The way to go about this would be to boost Israel's security, thereby allowing her to dispense with those elements of her present policy which the Saudis find most objectionable. By enhancing Israel's role in the Western alliance system while facilitating her withdrawal from the West Bank and a solution to East Jerusalem, the United States could approach the answer to her present dilemma.

Normally, the West Europeans would be expected to object strongly to such a scheme. In recent years they have lost no opportunity to encourage radicalism in the region and the rejection of the Camp David process. Their close ties with the PLO may lead them to reject overt strategic cooperation with Israel, irrespective of Israeli concessions in the West Bank. However, when confronting the issue, Europeans would have to consider that without the assumption of such a role, Israel would not make the aforementioned concessions. Their belief that there is some relationship between the resolution of the Palestinian problem and the security of oil supplies should lead Europeans to concur in Israel's enhanced role, should this permit settling the Palestinians' misfortunes.

Europe's additional fears concerning the Soviet threat to the Persian Gulf should lead it to support an enhancement of the

Western alliance's military profile in the region—all the more so if this could be done without offending Saudi Arabia and the Gulf states. Finally, in formulating its response to an official American proposal of such a scheme, Europe would have to assess what America's reaction might be if it attempted to obstruct a plan allowing for Israel's withdrawal. Washington is becoming increasingly intolerant of the Europeans' habit of striking their own deals while enjoying the protection of America's defense umbrella. The Europeans are aware of this and are likely to refrain from further straining already precarious intra-alliance relations. Europe would murmur and complain, but in the end it would support this proposal.

What, then, should be Israel's new role in the Western alliance system? The new role should be derived from an appreciation of three principles: first, by virtue of its geographic location, domestic stability, utter reliability, highly skilled manpower, and extremely potent air, naval and ground forces, Israel has much to offer to the Western alliance. Second, the large-scale stationing of foreign troops in Israel should be strictly avoided. This is exceedingly important because among a nation of less than four million, even several thousand foreign troops may threaten the state's social fabric. Finally, America's new Rapid Deployment Force (RDF) is unlikely to function effectively before the second half of the 1980s. Yet, since threats to Western interests in the region may arise well before that date, there is a need for an interim "Rapid Reaction Force," more modest in size yet capable of instant action in the Gulf region.

The third of these principles has been advanced by the head of Israel's Center for Strategic Studies, Major General (Res.) Aharon Yariv. In a lecture delivered in Washington a year ago, General Yariv pointed out that:

the brittleness of the situation in the Persian Gulf and the Arabian Peninsula, especially the fragility of the Saudi regime, suggest that the West may not have at its disposal the time-span of two-to-three years [for the realization of the RDF]. The likelihood of surprise incidents [such as the November 1979 assault on the Grand Mosque in Mecca] occurring again in Saudi Arabia or in neighboring states, with much stronger reverberations and ensuing difficulties for the flow of oil, is considerable.

To address the challenge, Yariv suggested, in the framework of a Western "broad front strategy of offense-defense," that:

a relatively small ground and/or amphibious force, even with a limited amount of heavy equipment—when permanently deployed in close proximity

to the critical area, and enjoying good naval and air support—can still serve as a Rapid Reaction Force (RRF). By early arrival on the scene—possibly in concert with a force supplied by a local partner—and by taking immediate action, it might resolve a crisis situation that otherwise would escalate to a degree demanding major military involvement with all the attendant dangers. The RRF should be able to operate with the same surgical accuracy, swiftness and decisiveness that characterized the Entebbe rescue mission. Moreover, the very presence of such a potential may deter radical trouble-makers, or Soviet proxies, and avert dangerous crises.²

In line with the three principles enumerated above, Israel could make a number of contributions to the Western alliance. First, Israel's air bases, including the two new bases now being built in the Negev, could be adjusted to make them interoperable with the U.S. Air Force. This would allow their use for the staging of operations such as those envisaged above for the Rapid Reaction Force, and later for the Rapid Deployment Force. In addition, Israeli bases could be used for the staging of bombing operations. For example, if the Soviets were to begin an invasion of the Persian Gulf, operations could be staged from Israel to hit chokepoints in the Soviet advance. Second, munitions, fuel, food supplies, drinking water, communications equipment, and medical gear could all be pre-positioned in Israel. Such pre-positioning would have the advantage of proximity to critical areas where the deployment of the RRF and the RDF might be required. The critical importance of large quantities of drinking water became apparent during the latest exercise held by elements of the U.S. 101st Airborne Division in Egypt (Operation Bright Star). The pre-positioning of jet-engine fuel would allow for air-refueling operations by KC-135 tankers to be launched from Israeli bases, thus extending the ranges of such tactical aircraft as the FB-111.

Third, Israel could provide "real time" intelligence on domestic developments in the region. Such intelligence would be required for the timely employment of the Rapid Reaction Force. In addition, Israel could help in providing some air and naval cover for such a force. Fourth, should a military clash require the deployment of America's airpower in the farther corners of the region, Israel's land-based airpower could be employed to defend U.S. aircraft carriers. If these carriers were stationed in Israel's proximity, Israel's Navy could also be used for that purpose.

² Aharon Yariv, "Challenges in the Middle East: Regional Dynamics and Western Strategy." Lecture delivered at a conference jointly sponsored by Tel Aviv University's Center for Strategic Studies and Georgetown University's Center for Strategic and International Studies, Washington, D.C., April 28, 1980.

Finally, in a grave crisis, Israel's air and naval forces could defend strategic chokepoints, such as the straits of Bab el Mandeb.

In planning and preparing for such contingencies, Israel would be able to share with the Western alliance its rich combat experience in the region. Such sharing could take the form of employing Israeli advisers in desert warfare exercises held in the United States; the presence of U.S. training staffs in similar exercises held in Israel; joint planning for contingencies requiring U.S.-Israeli cooperation; and the joint conduct of war games.

Finally, Israel may have a number of contributions to make in the event that the alliance became involved in a prolonged, high-attrition military conflict in the Gulf. Israel could fulfill a wide variety of supportive and back-up roles for the combatting forces; for example, high-quality maintenance as well as excellent medical services could be provided. The surge capability of Israel's armament industry could play an important role as well, particularly since ammunition shortages are expected to be a critical problem in a battlefield characterized by the extensive use of modern armor and precision-guided munitions.

One hopes that threats requiring the utilization of the aforementioned schemes would never materialize. Nevertheless, in order to gain maximum East-West deterrence as well as to ensure smooth execution should the need arise, the various modes of strategic cooperation would have to be exercised repeatedly. Such exercises would have to include all echelons, from each nation's top political leadership to the smallest unit involved. Joint exercises would enhance Israel's deterrence vis-à-vis its potential regional rivals, constituting living testimony to the alliance's interest in Israel's security and contributing to the likelihood that attacking her could lead to an alliance-wide response.

An enhanced role for Israel in the Western alliance system would differ markedly from past suggestions that Israel should trade its control of the West Bank for an American security guarantee. Whereas a guarantee would institutionalize dependence—with a debilitating effect on the nation's morale—the concept advanced here would establish interdependence. Israel would be dependent on the Western alliance, but the alliance would also become more dependent upon Israel. Thus, relations would be characterized by a far greater degree of symmetry than is the case with unilateral security guarantees, increasing the likelihood that the concept would be acceptable to Israel's body politic. In addition, since it would rest on enduring mutual interests, the commitment would enjoy far greater credibility.

The most important difference, however, is that whereas past suggestions implied that an American guarantee would itself provide a solution to Israel's security problems, the proposal for an enhanced Israeli role in the Western alliance is presented here as only one element in a new Israeli national security package. It is based on the conviction that there is no quick-fix, single-factor solution to Israel's security problems once she has withdrawn from the West Bank. The effort to reduce the risks entailed in such a move must be pursued by a number of avenues simultaneously.

VI

The second component of the package involves security arrangements in the West Bank following Israel's withdrawal. These should include prohibiting the introduction of heavy armaments into the West Bank for Arab forces, and, conversely, permitting the stationing of Israeli early-warning systems, surface-to-air missiles, and pre-positioned stocks in very limited areas. The limited real estate required for these purposes should be leased, without prejudice to Arab sovereignty over the entire West Bank. Also, emphasis should be placed on avoiding friction with the area's residents. Therefore, the large-scale stationing of Israeli ground forces in the West Bank should be strictly avoided.

There are three reasons why Israel's eastern front is extremely sensitive. The first is its proximity to Israel's population and industrial centers. The strip between the pre-1967 lines and the Mediterranean Sea is only eight to 13 miles wide, and contains 67 percent of Israel's population and about 80 percent of its industrial capacity.³ This puts most of Israel's cities well within artillery range of the West Bank. The second source of the front's sensitivity is the enormous military forces facing Israel from the east. In 1980 the forces of the so-called Eastern Front—consisting of Iraq, Syria and Jordan—included some 24 divisions, with 5,670 medium tanks (almost twice the size of the British and French medium-tank forces combined), 5,200 armored personnel carriers, 4,450 artillery pieces, and 1,030 combat aircraft.⁴ Even if Iraq were able to employ only a part of its forces against Israel, the latter would still be engaged on her eastern front by some 17 divisions, includ-

³ Aryeh Shalev, "The Strategic Significance of the West Bank," Tel Aviv: Tel Aviv University, Center for Strategic Studies (forthcoming 1981).

⁴ Yehoshua Raviv, *The Arab-Israeli Military Balance*, CSS Papers, No. 7, Tel Aviv: Tel Aviv University, Center for Strategic Studies, July 1979, pp. 11–17.

ing 4,670 medium tanks and 750 combat aircraft.⁵ Finally, Israel's own military forces, though extremely potent when fully mobilized, are highly dependent on ample warning. More than two-thirds of Israel's order of battle is in the reserves.

The combination of geographic constraints, the size of her adversaries' forces, and the dependence of her own forces on the mobilization of reserves, makes Israel's defense on her eastern front exceedingly difficult. To avoid fighting a high-attrition war amid her population and industrial centers, Israel must mobilize in time and engage her attackers beyond her narrow frontier. Prior to the 1967 War, this was inevitably Israel's "forward strategy." The weak link in this is Israel's ability to mobilize her reserves in time and effectively. Thus, her strategy is based on four prerequisites: maximum distance between Arab military forces and Israel; proper strategic warning; the capacity for mobilization without interference; and the ability to delay the attacking forces.

Major Arab forces should be kept as far away as possible from Israel's essential core. This is necessary to increase the time-span between those forces' initial movement and their arrival in areas near Israel's essential core. Widening this time-span would permit Israel to mobilize her reserves and to engage the advancing forces far from her population and industrial centers. In order to achieve this, Israel must insist that the entrance of other Arab military forces (e.g., Syrian, Iraqi or Saudi forces) into Jordan be prohibited, as well as the stationing of heavy armament in the West Bank by Jordanian or Palestinian forces.

Proper strategic warning requires stationing intelligence-monitoring and sensing installations on a number of mountaintops in the West Bank. This requirement results from the absence of proper alternatives; airborne early-warning systems are important but do not constitute an effective alternative to land-based installations. Furthermore, suggestions that such installations should be operated by the United States—supplying Israel with end-products—must be rejected. Israel must have complete confidence that all data acquired will be made available to her. The transmission of such data through middlemen involves excessive risks; in order to prevent Israel from "overreacting," such middlemen may refrain from transferring data concerning movements of Arab forces. Israel must insure herself against such eventualities by insisting that these installations be operated solely by Israelis.

Prohibiting the Arabs from introducing heavy armaments into

⁵ *Ibid.*

the West Bank would also affect Israel's capacity to mobilize without interference. This is because her mobilization centers are well within artillery range of the West Bank. It is true but irrelevant that these centers would always remain well within the range of Arab surface-to-surface missiles. For some years, at least, artillery will continue to enjoy far greater accuracy. Nevertheless, Arab forces could attempt to interfere with Israel's mobilization process by air-to-surface operations. To prevent this, Israel must engage her adversaries' combat aircraft as early and as effectively as possible. For this purpose, Israel must be permitted to station a number of surface-to-air missile batteries in the West Bank. This would complement Israel's efforts to maintain its present air superiority through the qualitative development of her airpower.

Israel's ability to delay attacking forces could derive much benefit from the stationing of Israeli ground forces in the West Bank. However, no Arab negotiating partner—be it Jordan, the PLO or local Palestinian leaders—would acquiesce in such an arrangement. Israel should also be interested in avoiding the stationing of large forces in the area. Such forces would be a constant source of friction with the local population, and this would jeopardize the stability of any arrangements reached. Therefore, measures to delay incoming forces should be low manpower-intensive. Israel must acquire the best available technologies for this purpose. In the West Bank, measures to delay attacks should be based, for an unspecified interim period, on the pre-positioning of weapon stocks in a limited number of facilities. When warning of attack is received, the manpower required for their use could be quickly transported to these facilities, thus allowing rapid mobilization and deployment. Ordinarily, only very limited manpower will be required to maintain and defend these stocks.

Again, it should be emphasized that none of the security arrangements enumerated above requires much real estate. The limited land required should be leased by Israel, without prejudice to her recognition of Arab sovereignty over the entire West Bank. It should further be noted that these arrangements do not by themselves guarantee Israel's ability to withstand the threat from its eastern front. However, combined with continuous provisions to maintain its conventional strength, and with other measures to enhance its deterrence—including an integral role in the Western alliance and an assertive nuclear posture—the proposed arrangements reduce the threat to an acceptable level.

Finally, there is one threat for which the arrangements suggested

here do not provide an adequate answer: namely, the threat of terrorism. Many fear that terrorism directed from the West Bank against Israel will grow once Israel withdraws from the area. To be sure, withdrawal would seriously curtail Israel's ability to combat terrorism from the West Bank. Israel's capacity for intelligence penetration of the area's population would be more limited, and it would no longer be free to conduct searches, arrest suspects, and interrogate, judge and imprison them. Israel would be forced to a more defense-oriented mode of combatting terrorism from the West Bank, with all the ensuing risks.

A measured assessment of the risks of terrorism, however, must take account of the problem's relative importance. Yearly, Israel's casualties from terrorism amount to from one-tenth to one-fifth the number of casualties caused by traffic accidents. Terrorism has resulted in many personal tragedies, but for the nation it does not constitute a major strategic threat. In Israel's case, a national strategy which is otherwise sound should not be rejected simply because it does not provide an answer to terrorism. One may also argue that with Israel's withdrawal from the West Bank—allowing for a resolution of the Palestinian problem—the incentives for terrorism would diminish. In addition, the future Arab sovereign of the West Bank would have a strong vested interest in arresting terrorism.

The balance of power between Israel and either an independent Palestinian state or a Jordanian-Palestinian federation would remain extremely one-sided for a number of decades to come. Israel could easily halve the new unit by a mere administrative decision to block communication between the West Bank and Gaza Strip. The Palestinian or Jordanian-Palestinian leadership would be interested first and foremost in their state's integrity and would therefore wish to avoid this. Thus, Israel's constantly looming threat to intervene militarily should terrorism get out of hand would force this leadership to arrest the problem quickly and forcefully.

VII

A major potential threat for Israel is that following her withdrawal, the West Bank will drift toward radicalism and its new rulers will initiate either terrorist or more organized forms of violence. The third component of the proposed security package addresses this threat. Its basic premise is that the ability to deter terrorism should be augmented by a network of incentives barring the West Bank's possible radicalization. These incentives should

include a dramatic development of the West Bank economy, as well as making it interdependent with the economies of Israel and pro-Western Arab states.

Terrorist activity would lead to Israeli reprisals, and organized hostilities initiated by the West Bank's rulers could lead to large-scale Israeli punitive action, if not to the reoccupation of the area. If the West Bank's economic lot improved, its residents and leaders would stand to lose much more by launching hostilities. A similar effect would be gained if the area's economy remained interdependent with Israel's. Once the economy of the West Bank had become interdependent with that of the more pro-Western Arab states as well, the latter would have significant leverage over the former's policies. Since the social, political and economic interests of such oil-rich states as Saudi Arabia favor regional stability, a constant effort to dissuade West Bank leaders from adopting modes of violence could be expected.

To be sure, economic interdependence by itself cannot provide peace and stability. If anything, the causal relationship between interdependence and peace tends to be in the reverse direction—without a strategic and political framework providing general stability, economic relations do not reach a level allowing the creation of interdependence. Clearly, there is a feedback relationship: once interdependence is established, the costs of dissociation increase, thereby enhancing stability and peace. However, an appreciation that interdependence can only cement the blocks arranged by a proper strategic and political framework is required, so that unwarranted expectations—and, later, unnecessary disappointments—could be avoided.

Although a high level of interaction presently characterizes the economic relations between Israel and the West Bank, this does not automatically translate into economic interdependence. Dependence implies a relationship to which no readily available alternatives exist. The West Bank presently exports to Israel almost two-thirds of its total exports. However, this is partially due to politically motivated restrictions imposed by Jordan and other Arab states on imports from the West Bank.⁶ Were these restrictions lifted in the framework of a comprehensive political settlement, the distribution of the West Bank's exports would change dramatically. Much more of the area's products would then be sold to Amman and the wealthier Gulf States. The same applies to the area's imports, of which 90 percent are from Israel.

⁶ Shalev, *op. cit.*, pp. 125–28.

The realm of employment provides a more accurate measure of interdependence. A look at this realm reveals that dependence is indeed mutual, if not symmetric. At present, important sectors of Israel's economy cannot function without manpower provided by the West Bank and the Gaza Strip. This is particularly the case with Israel's tourism, construction, and, to a somewhat lesser degree, agriculture.⁷ For the West Bank's residents, wages earned in Israel constitute one of the principal means of support. Other outlets for manpower exist in the Gulf states, but they require West Bank residents to part from their families and work hundreds of miles away from their homes. Also, most Arab states have restricted the admission of Palestinians. Thus, alternatives to the wages earned in Israel are not readily available. In this sense, interdependence between Israel and the West Bank is symmetric. A political settlement enabling the continuation of this interaction would maintain interdependence.

The establishment of economic interdependence between Israel, the West Bank and the more pro-Western Arab states requires region-wide development projects. Such projects should be based on Palestinian labor, Saudi financing, and American, European and Israeli technology. They would also provide the framework for the resettlement of the Palestinian refugees, a massive enterprise long overdue. For this purpose, a number of new cities should be constructed in the more arid areas of the West Bank. These cities should be organized around new sources of energy and should allow the manufacture of goods that are competitive in the markets of the Arab world at large. To enhance Israeli-West Bank interdependence, a limited number of industrial parks should be established along the pre-1967 lines. Labor-intensive industry could be placed there, utilizing Israeli capital and technology, and providing an additional source of employment for the returning Palestinians.

The implementation of regional development projects should be gradual, so that the area's traditional social and economic fabric is not fatally wounded. Likewise, the return of Palestinian refugees would have to be conducted slowly and with great care. The formation of a proper infrastructure would require enormous effort, notably in the construction of housing, industrial structures, telephone networks, and road, water and sewage systems. In addition, skilled Palestinians should be recruited worldwide to fill

⁷ See Mark A. Heller, "Political and Strategic Implications of a Palestinian State," Tel Aviv: Tel Aviv University, Center for Strategic Studies (forthcoming 1981).

posts in the project's management and prevent its being viewed as "foreign." In short, the third component of the proposed security package calls for an American-initiated, Saudi-financed Marshall Plan for the West Bank and the Gaza Strip. The gradual implementation of the enterprise would provide the region's residents with an enduring stake in the stability of a political settlement.

VIII

The proposed web of economic interdependence between Israel, the West Bank, and the more pro-Western Arab states would diminish the odds of a possible drift to radicalism, but would not eliminate it entirely. Fundamental national aspirations and the imperatives of high politics may take priority over economics; if the Palestinian leadership were to identify an avenue to the complete liberation of Palestine, considerations of economic well-being could be neglected. Similarly, an integral role for Israel in the Western alliance would enhance its deterrence, but would not exclude the possibility of another war. In the face of reasonable odds of success, an all-Arab coalition might be willing to tackle the alliance. North Korea and North Vietnam have both done this successfully.

Finally, the proposed security arrangements in the West Bank would improve Israel's ability to withstand a massive assault from the east. However, these arrangements are no panacea in the security realm. Israel would still be assuming a significant measure of risk by withdrawing from areas so close to her population and industrial centers. The "Eastern Front" states, with Palestinian aid, might well wish to put these three components to a test by initiating a massive conventional assault against Israel. The proposed arrangements should help defeat the challenge, but the costs involved could be exceedingly high.

The Middle East will be increasingly characterized by fire-intensive, high-attrition warfare. The proliferation of high-technology weapons in the region guarantees that this will be the case. Under these conditions, if Israel's withdrawal were to create Arab expectations of success in the battlefield, the price of defeating the challenge would be critically important. Due to the demographic and financial imbalance between Israel and her Arab neighbors, the cumulative costs of war could have a devastating effect on Israel's survivability, even if she won each of these encounters. In Israel's case, the problem of deterring war thus assumes particular

importance, more so than for almost any other non-nuclear nation. And the imperative for successful deterrence will further increase as conventional defense becomes more difficult. Economic constraints already impose limitations on Israel's ability to cope with the expansion of the Arab armed forces. This would further reduce the spectrum of threats which Israel can withstand at acceptable costs. Finally, by the end of this decade, Arab conventional challenges may be supported by nuclear weapons. Iraq may possess enough fissionable material for a nuclear weapon by 1985, and is likely to enjoy a rudimentary deliverable nuclear force by 1990. Other Arab countries will follow suit, and—with possible imported shortcuts—may even precede Iraq. This will dramatically extend the spectrum of threats facing Israel in the years to come.

Israel's withdrawal from the West Bank and the Gaza Strip might well reduce the Arabs' motivation to wage war against Israel, but it would not eliminate this motivation entirely. Arab challenges to Israel's survival might yet recur. Since the aforementioned components of the proposed security package do not fully meet the dangers entailed in such recurring challenges, an additional deterrent is needed. Therefore, Israel should develop the capability and adopt an appropriate strategy and doctrine for overt nuclear deterrence. This comprises the fourth element in the proposed national security package.

In terms of capability, Israel should develop nuclear weapons in a quantity and of a yield sufficient to demolish salient targets in each of the Arab states. The suggested doctrine is counter-value—that is, threatening the destruction of cities and resources. It should consist of a simple but intentionally vague declaration that any attempt to cross Israel's borders by a significant military force would be countered with extremely high levels of punishment. The strategy's purpose would be to deter the Arab states from pursuing most forms of violence against Israel by letting them know that she possesses the means for devastating punishment.

Would the adoption of a nuclear deterrence posture deter the Arab states from posing strategic challenges to Israel's survival? To what extent would a nuclear posture deter or reduce lower levels of warfare such as limited conventional wars, wars of attrition, or guerrilla warfare? What would be its effect once Arab states adopted similar postures?

These questions deserve a thorough analysis, far beyond the scope of this essay. But I contend that an overt nuclear posture

would indeed provide Israel with effective deterrence. Nuclear weapons also enhance stability, because they favor states trying to defend their sovereignty and survival. Deterrent confrontations are determined by the relative ability to inflict punishment and the relative willingness to absorb punishment in order to win the issue under dispute. States possessing more than a minimal arsenal of nuclear weapons will be able to inflict enormous punishment on each other. In confrontations between such states, the winner will therefore be the one who has the most at stake. The state more willing to absorb punishment will run higher risks; the state less willing to run risks will have to back down. The state defending its sovereignty and survival is likely to manifest far more willpower than a potential offender because its survival is likely to be much more important to it than to a possible intruder. The offender will then face an opponent willing to undertake enormous risks; the balance of deterrence will tilt against him. Therefore, deterrent confrontations, given nuclear weapons, will be won by the state defending its essentials.

If Israel adopted a nuclear deterrence posture, she would stand an excellent chance of deterring Arab efforts to challenge her basic survival. This would continue to be the case even if the Arab states adopted nuclear deterrence postures of their own. The issue of Israel's survival will be more important to her than Israel's destruction will be to her neighbors. Once her survival is threatened, she will demonstrate greater willingness to run risks. The balance of deterrence will tilt in her favor. Finally, Israel's nuclear posture might also deter neighbors from opting for lower levels of violence, such as limited mobile war, wars of attrition, and guerrilla warfare.

However, Israel's ability to deter such limited challenges would depend on the nature of the issue under dispute. Israel is unlikely to deter Arab efforts to regain some of the territories she has occupied since the June 1967 War. Her neighbors see these territories as their own, while Israel lacks a national consensus on the question of Israeli sovereignty over these territories. Thus the Arabs are likely to care more about these territories and will demonstrate greater willingness to run risks. In any effort to regain them, the balance of deterrence will tilt in the Arabs' favor. However, once Israel withdraws to borders that more nearly approximate the lines she held prior to the 1967 War, the balance of deterrence will turn to her advantage. She would be determined to resist Arab efforts to go beyond these lines or to harass her within them. Israel would care more and would be bound to deter

such efforts successfully. Under such a policy, the adoption of a nuclear deterrent strategy can be expected to yield important benefits. Thus, as the fourth component of the proposed national security package, Israel's nuclear posture will deter major Arab challenges to her survival, and where she withdraws to the pre-1967 lines her posture will also deter more limited Arab threats.

Once Israel developed a nuclear capability, she would be wise to adopt a declared posture. Such a posture would have a number of advantages. First, it would provide Israel with a credible deterrent threat; the Arab states would be certain of Israel's ability to inflict heavy punishment upon them. Second, it would facilitate the elaboration of a sound doctrine. Proper doctrines reduce the likelihood that nuclear weapons would be misused. A doctrine has better chances of being sound if the process of its elaboration involves the participation of a large number of people. In the case of nuclear weapons, this should include soldiers, statesmen, physicists, civilian strategists, and the like. The ability to draw on a wide variety of opinions must come at the expense of secrecy. Hence, the development of sound doctrine necessarily involves disclosure.

The risks and dangers involved in the absence of sound doctrine become most apparent at times of grave crisis. It is then that decision-makers, acting under enormous pressure and extremely severe time constraints, cannot pause to reflect afresh, and tend to rely on Standard Operating Procedures (sops). If the sops have been elaborated wisely within a doctrine, disaster may be averted. If absence of disclosure prevents the development of sound doctrine, and sops are developed in an incomplete manner, the worst may indeed occur. Situations that have not previously been envisaged may elicit either paralysis or overreactions. The result could be costly for all parties involved.

The third advantage of a disclosed deterrent is that it facilitates the development of a "strategic dialogue" between the conflicting parties. Such a dialogue would lead to mutually shared definitions of what is likely to result in nuclear retaliation. This, in turn, would significantly reduce the danger that war may occur through misunderstanding. If war was initiated, mutually shared concepts and definitions would facilitate the maintenance of thresholds and thereby reduce the threat of uncontrolled escalation. Furthermore, disclosure would allow the conflicting parties to communicate to each other their respective doctrines. The parties could then modify their own postures and doctrines so that these constituted an effective response to all aspects of their counterparts. Such a

doctrinal dialogue then facilitates both the prevention of war and the efforts to keep war controlled once initiated.

The final benefit of a disclosed nuclear deterrent is that it would permit public discussion of the implications of nuclear weapons for the regional system. Newspapers would write about it, universities research and then teach it, and politicians would address it. Above all, television would bring the realities of life in a nuclearized region to most homes. A process of familiarization with the facts of nuclear life would take place in the Middle East. Both the elites and the masses would be objects of this process, and this would minimize the pressure of some segments of the Middle East elites on their respective governments. Aware of the constraints imposed by nuclear weapons, such as the constant possibility of massive nuclear retaliation, many would cease demanding that their governments follow unreasonable aggressive policies. In the Arab world the effect of this would be to reduce pressures to pursue policies aimed at Israel's destruction. Belligerent elements within the Arab body politic are likely to lose ground.

In Israel the effect would be similar. A disclosed deterrent would reduce pressures to take frequent preventive action. In addition, it would enhance the government's ability to persuade both the elites and the masses that it is possible to withdraw to borders not very far from the pre-1967 lines without jeopardizing Israel's survival. In general, a disclosed deterrent would decrease domestic opposition to moderate policies. Appreciation of the security provided by nuclear deterrence would reduce the sense of paranoia which so seriously afflicts Middle East publics and politics.

IX

The central thrust of this essay is the creation of a new Israeli national security package, providing a new strategic context in which the West Bank's current pivotal role in Israel's security is altered, thus allowing Israel's withdrawal from the area. The willingness to carry out such a withdrawal is a prerequisite to the implementation of either a "real autonomy" or the "Jordanian option." Given a willingness to withdraw, both are feasible avenues to a comprehensive Arab-Israeli accommodation. And, on balance, they involve a similar mix of risks and opportunities. Essentially, both constitute "Palestinian" options: the "real autonomy" would quickly lead to a "small" independent Palestinian state in the West Bank and the Gaza Strip; the Jordanian option would over time lead to a large Palestinian state, encompassing the Gaza Strip and both banks of the Jordan River.

The advantages of the Jordanian option are in the short range. King Hussein is bound to have a strong moderating influence in the West Bank, and the area's demilitarization would be more feasible, since it would limit arms in only one part of a country. The option's disadvantages would be evident in the long run. Once domestic politics caught up with Jordan's demography, the Hashemites would be derailed, and Israel would face a large Palestinian state. For Israel, one strong Palestinian neighbor is far worse than two weak ones.

The first option—a "small" Palestinian state—involves short-range risks. It would be more difficult to demilitarize an entire state, and there would be some question as to the state's economic viability. However, lack of viability would make it even more dependent upon Israel, and this would have a moderating influence upon it. In the long run, it is preferable to have the Palestinians divided between two states—a small Palestinian state and a more survivable Hashemite kingdom of Jordan—with the former being engulfed by the latter as well as by Israel. Thus, the two options entail a similar distribution of dangers and benefits. Indifference to the choice between them is not an unreasonable conclusion.

In principle, therefore, Israel should be willing to negotiate either of these options with any Arab representatives, provided the latter fulfill two conditions: first, that they recognize Israel's right to exist and accept the stipulations of U.N. Resolutions 242 and 338; second, that their political standing among West Bank Palestinians is sufficiently strong to merit confidence that they can implement effectively whatever agreements are reached.

None of the components of the security package proposed in this article would require immediate implementation. The implementation of the security package should be incremental, and linked to Israel's withdrawal. The realization of both must be tied to the gradual fulfillment of the political accommodation reached. More urgently needed is the initiation of a detailed strategic dialogue between the top leaderships of Israel and the United States. The dialogue should take place immediately after Israel's next elections, currently set for June, and before the two governments become locked into fixed positions and policies. It should also be conducted prior to comprehensive talks between the United States and other leaders in the region. The most sensitive issues blocking further progress toward political accommodation in the Middle East are those involving Israel's security. Therefore, it is imperative that Israelis not conclude that the talks aim merely

at formalizing a deal already negotiated with Israel's neighbors. Hence the importance of conducting a dialogue with Israel first. Finally, it is important that the talks be secluded from media pressure, in much the same way as were the negotiations of the Camp David Accords.

The Israeli-American strategic dialogue should consist of a thorough analysis of the fundamental interests of both nations, and of the ways in which they may be accommodated. A mutual understanding should be reached on three central issues. First, on the construction of the new national security package allowing for Israel's withdrawal from the West Bank. This should also include a discussion of the measures needed to gain European and pro-Western Arab support of the package. Second, a common understanding with regard to the political steps to be taken toward a more comprehensive Middle East accord. In this framework, a common approach should be adopted regarding the ways of eliciting a Palestinian or Jordanian-Palestinian partner to the settlement, under either of the aforementioned options. Third, a mutual understanding should be reached on the general principles for a solution to the problem of Jerusalem. The solution should provide for the city's continued unity, while allowing a measure of Arab jurisdiction over some of its parts. In this context, the fundamental religious concerns of parties as diverse as Saudi Arabia and the Vatican could be accommodated.

Only after Israel has gained the support of her staunchest ally, the United States, on all three issues, will she be able to initiate the difficult steps toward a comprehensive Middle East settlement.

David P. Calleo

INFLATION AND AMERICAN POWER

In recent years, American policy at home and abroad has seemed more pressed by events and less sure of its responses than at any time since the late 1940s. Since World War II, the guiding ideals of policy have been neo-Keynesian "full-employment" at home and neo-Wilsonian leadership abroad. It is difficult to count the achievements unimpressive. Along with an unparalleled domestic prosperity, America's leadership and power have coaxed the world into a structure of collective security and liberal economic interdependence—a *pax Americana* that has been, on balance, the happiest era of this troubled century. The present disarray of American policy arises from two broad trends that have increasingly undermined both its domestic and foreign achievements. The first is the apparently relentless acceleration of domestic inflation—a process that involves increasingly violent swings of the business cycle and a progressive stagnation of real growth and competitiveness. The second is the deterioration of American power abroad and, with it, the disintegration of the *pax Americana*.

Blaming the ineptitude of incumbent policymakers is always tempting and in recent years perhaps unusually plausible. In longer perspective, however, America's difficulties seem longstanding and cumulative rather than adventitious and random—the result less of inept and inexperienced tactics in one administration than of increasingly inadequate strategies through several. From this perspective, improvement depends not so much upon fresh leadership, per se, as upon a hardheaded reexamination of the mix of strategies long used to maintain American goals at home and abroad.

Escaping from the inadequacies of current policies requires, first of all, understanding why they no longer work. The two fundamental problems—domestic inflation and foreign weakness—have numerous independent causes. One feature, however, they share

David P. Calleo is Professor of European Studies at the School of Advanced International Studies, The Johns Hopkins University. He is co-author of *America and the World Political Economy* and author of *The Atlantic Fantasy*, *The German Problem Reconsidered* and the forthcoming *The Imperious Economy*.

in common: overextension. Both at home and abroad, American ambitions seem to exceed present American resources. In addition, economic policy and geopolitical position have been growing progressively interconnected. Failure in one sphere reverberates in the other. Lack of control over domestic inflation makes maintaining the postwar international system, and our position within it, more and more difficult. At the same time, restoring stable prosperity to the domestic economy seems increasingly unlikely without modifying the American role in the international system.

For American policy in its present weakness, this interdependence has thus become a vicious circle of reinforcing failures. How can the cycle be broken without a retreat from the liberal economic order abroad or a radical decline in prosperity at home? For a start, why has the United States been suffering from inflation and how has that inflation been connected to our position abroad?

II

America's basic inflation rate has risen higher in each business cycle of the past two decades. In 20 years, prices have increased roughly 177 percent and are now increasing at an annual rate of 12.5 percent.¹ Moreover, the causes are rooted in the character of our political economy. While inflation also grew to serious proportions in the late 1940s and through 1951, the domestic rate was kept down through the Eisenhower era and remained low until the later 1960s. The onset of the current inflation is commonly traced to the policies of the Johnson Administration, in particular to its combination of the Vietnam War with the Great Society. Actually, the inflation of domestic prices began to show up in 1965, well before Vietnam expenditures began having serious effects on the economy.² In any event, the roots of Johnson's expensive military and social programs are clearly to be found in the Kennedy Administration—in its rearmament and ambitious reassertion of American leadership abroad and its energetic pursuit of neo-Keynesian policies at home. Concern with growth and leadership, of course, hardly began with Kennedy; but earlier postwar Presidents pursued the same goals with more concern for the limits of fiscal resources.

If any single development may be said to have opened the door to the renewed inflation of the 1960s and 1970s, it was Kennedy's

¹ *Economic Report of the President, 1981*, Washington: GPO, 1981, p. 289. See also Bureau of Labor Statistics, Statistical Information Service for most recent Consumer Price Index rate.

² Consumer Price Index, *Economic Report of the President, 1967*.

fiscal policy. More precisely, it was the fiscal policy that Kennedy espoused and Johnson achieved. With his famous tax-cut proposal of 1963, Kennedy promoted the "full-employment budget," a notion that calls for government deficits whenever the economy is running at less than its hypothetical full use of plant and labor. Ever since Johnson pushed through the Kennedy tax cut in January 1964, full-employment budgets have been the governing principle of fiscal policy. And since 1964, the federal budget has been in deficit every year but one.³

Analysts, of course, differ endlessly over the underlying causes of inflation. Nearly every modern society has rapidly rising expectations and aggressively powerful interest groups. Most contemporary economies are thus predisposed to inflation. Blaming inflation on government deficits is rather simplistic. A government budget embodies the aggregate demands of the political system. A government deficit reflects the whole society's excessive claims on its resources. It may also reflect deeply rooted structural distortions that prevent the economy from generating the resources demanded.

All this being said, it is the duty of government to govern, not merely to reflect passively the overall claims of its citizenry. A budget is essentially a checkpoint, where the state is meant to make rational choices in the general interest. Since, in practice, the full-employment budget idea virtually mandates fiscal deficits at nearly all stages of the business cycle, common sense suggests that enshrining such a doctrine at the center of policy can be expected to encourage inflation—in either peace or war. When such a fiscal policy is accompanied by America's traditional easy money policy, as it has been throughout the period, inflation is inevitable.

An inflationary policy, ratified by a complaisant monetary policy, does, of course, have advantages. Not only are governments free to pursue a variety of goals with less need to decide among them, but inflation helps keep resources more fully at work. In the short run, inflation encourages employment, particularly if prices rise faster than wages and thus reduce the real cost of labor. As the public gradually loses its "money illusion," however, wages and salaries begin to gain on prices. Continuing high employment requires more and more inflationary stimulus. Full-employment policy becomes a race between the government's printing press

³ Actually, the federal budget has been in deficit since 1961, although Kennedy's earlier deficits were justified by conventional counter-cyclical policy.

and the public's imagination. Inflation is thus difficult to stabilize, but tends relentlessly to accelerate.

To call the generous fiscal policy of the past two decades a "full-employment" policy is, of course, somewhat misleading. The full-employment-budget idea does provide a rationale for a looser fiscal policy. It legitimizes the political system's unwillingness to bring its goals into balance with the level of real resources. But the unbalanced expenditures that result may only incidentally be motivated by considerations of employment. Governments in countries with substantially lower inflation rates than the United States are, in fact, no more tolerant of unemployment than American liberals. Unemployment in the Federal Republic of Germany, for example, has traditionally been substantially lower than in the United States. But the goals of the German government, including an expensive welfare system as well as the full employment of its work force, have been pursued without the combined budget deficits and easy-money characteristics of the American economy.

Since government policy is the efficient if not the ultimate cause of inflation, changing government policy is also the essential cure. Governments are constantly "declaring war" on inflation. But all other things being equal, a political system generally prefers inflation to its cure. Not everyone benefits from inflation, of course. A conservative domestic coalition may arise to force a sufficient limit and precedence among goals to fit the real resources available. But as the economy grows more and more habituated to inflation, the costs of ending it grow increasingly severe for the particular interests of more and more groups. Hence, short of some extreme explosion that appears to threaten property itself, domestic coalitions seldom have lasting success in halting inflationary policies.

For most countries, the major check on domestic inflation lies in the need to defend the value of the currency. In an open world economy, if one country's inflation rate exceeds that of others, its surplus money begins to flow to less inflationary countries where money is in shorter supply and real interest rates are higher. The inflationary country suffers a balance-of-payments deficit and its currency begins to weaken against other currencies. Since remedies like devaluation or currency controls are self-defeating for most states, inflationary countries are finally forced to rein in their domestic fiscal and monetary policy sufficiently to reduce their inflation rate to the international norm. Typically, government policy oscillates between responding to domestic pressures for

higher spending and international pressures threatening the value of the currency. Hence, the “stop-go” policies characteristic of Western economic management, and the “stagflation” that is their normal consequence.

Unfortunately for the control of inflation in America, the United States was long exempt from the need to defend the dollar. Under the international monetary system set up at Bretton Woods, the central banks of other countries were supposed to hold our exported dollars as part of their monetary reserves. The dollar was not supposed to be able to devalue. As a result, successive American governments, acting on these assumptions, were never forced to limit government goals for the sake of the dollar, even though the United States ran balance-of-payments deficits continually throughout the 1950s and 1960s.

The dollar’s role as “world money” and the continuing American balance-of-payments deficit linked America’s domestic inflation to the international system in a special way. Under the arrangements of Bretton Woods, a good part of America’s inflation in the 1960s was, in effect, “exported.” The excess dollars created to stimulate full employment or pursue internationalist goals migrated abroad to less inflationary economies with higher real returns on money. Not only did many billions of exported dollars end up in foreign central banks, but many billions more helped form an offshore-dollar capital market centered in London. In other words, America’s exported inflation was either absorbed into the national money supplies of our creditors or else went to form a huge pool of capital available to finance the burgeoning “international economy” of multinational lenders or borrowers. Under these circumstances, not only did the external system impose no real discipline upon our domestic economy, but American inflation began to exacerbate inflation elsewhere.

Under the Bretton Woods arrangement, however, certain checks were supposed to limit this process. The United States was supposed to keep adequate reserves of gold and foreign exchange to meet the demands of its creditors. But by the end of the 1960s the international dollar markets had become so huge and volatile that our capacity to meet demands for convertibility at the going exchange rate had become a polite fiction, sustained by the not-so-polite arm-twisting of our allies.⁴ The dollar was almost forced to devalue in early 1968, when Johnson was still energetically

⁴ For a discussion, see Susan Strange, “International Monetary Relations,” in Andrew Shonfield, ed., *International Economic Relations of the Western World, 1959-71*, Vol. II, London: Oxford University Press, 1976, pp. 65-89, 281-97.

pursuing his expansive foreign and domestic policies. It was rescued for a couple of years thereafter by Europe's domestic political troubles and the consequent inflationary boom, as well as by the Federal Reserve's belated but savage attempt to tighten the runaway American money supply. By the time Johnson left office, domestic inflation was diminishing and the dollar was stronger.

Nixon tried to consolidate and extend this pause through the early years of his first term, but without precipitate withdrawal from Vietnam itself or a return to anything like the relatively low pre-Vietnam military expenditures.⁵ Restraint under such circumstances was neither effective nor popular, as the congressional elections of 1970 made clear. Nixon's instinct for political survival dictated his vigorous "reflation" of 1970 and 1971. Much of the renewed inflation again flowed abroad. The massive balance-of-payments deficit that recommenced at the end of 1970 made the dollar's depreciation inevitable.⁶ In August 1971, with world currency markets in turmoil, Nixon seized the initiative and devalued the dollar.

III

Nixon's solution to the balance-of-payments crisis marked a major shift that dominated American economic and foreign policy throughout the rest of the decade. The Nixon solution made America's domestic prosperity directly dependent upon its external power. In effect, Nixon's policy was a nationalist or "mercantilist" revolution. To understand how it has worked requires a brief look at the American economy through the rest of the decade.

The Kennedy and Johnson Administrations had acted as if the dollar's weakness was a temporary inconvenience, to be financed on a short-term basis until the underlying strength of the American economy could reassert itself. Both firmly resisted any notion that the international position of the dollar required restraining domestic policy or limiting foreign commitments. By Nixon's time, the international constraints common to other states finally came to be felt by the United States. Unless Nixon decided to limit American goals—which, like his predecessors, he declined to do—

⁵ *Economic Report of the President, 1975*, pp. 325–26. U.S. defense expenditures for fiscal years 1965–74, in current dollar figures, were as follows (millions of dollars): 1965: 48,581; 1966: 55,856; 1967: 69,101; 1968: 79,409; 1969: 80,207; 1970: 79,284; 1971: 76,807; 1972: 77,356; 1973: 75,072; 1974: 78,569.

⁶ *Economic Report of the President, 1972*, p. 297.

the dollar was clearly fated to devalue. In effect, the United States gave up trying to reconcile its political goals at home and abroad with its obligations as the manager of the world's monetary system.

Since a great deal of American prestige had gone into defending the dollar from devaluation, Nixon was concerned with finding a new ideology to justify its collapse. The United States could not appear a "pitiful, helpless giant" in the international monetary arena any more than in Vietnam. American economics proved more than equal to the challenge. According to the new official line, the arrangements of Bretton Woods had been unfair to American interests. The United States had been exploited by its allies. The generous arrangements of the immediate postwar era that had encouraged Europe to form a trading bloc, with the United States providing both monetary and military stability, had become frozen into a pattern of anti-American economic discrimination. Since Bretton Woods had precluded American devaluation, even after the European and Japanese recovery, the dollar grew "overvalued," with dire consequences for the American economy. The most obvious consequence was thought to be the steady decline of the American trade balance after the mid-1960s, a decline that in 1971 brought us the first trade deficit since the nineteenth century.⁷ Washington's prescription was clear: the United States should give up trying to defend the dollar. It should adopt a posture of "benign neglect." If Europeans would not revalue their currencies upward, the United States should devalue.

Armed with this rationale, Nixon and Treasury Secretary John Connally were able to present the dollar's collapse of August 1971 as a major American victory. Devaluation was, as noted, a nationalist revolution in American policy and did bring many short-term advantages. The victory was, to be sure, over America's own rich allies, and the new policy presented the Europeans and Japanese with a basic dilemma. They could let the value of the dollar fall, which would make American goods cheaper on the world market and thereby harm the competitiveness of the export industries upon which they were heavily dependent. Or they could support the dollar by continuing to absorb it into their reserves, which would continue to expand their own money supplies and import American inflation into their economies.

Their problem, however, was not so much Nixon's initial de-

⁷ Trade balance computed on census basis. Computed on a balance-of-payments basis, the United States had a trade deficit in 1935. See *Survey of Current Business*, March 1972, p.38.

valuation. The dollar was most certainly overvalued in 1971 and some depreciation was in order. Unhappily, the 1971 devaluation was to prove not a drastic once-and-for-all treatment but the beginning of a long addiction to depreciation. Nixon's rationale, by focusing on the arrangements of Bretton Woods and the particular costs of the Vietnam War, ignored the fundamental and continuing cause of the dollar's overvaluation, namely the American economy's persistent inflation. As long as that inflation continued, no single devaluation could be expected to resolve the dollar's weakness. Instead, the dollar could be expected to depreciate over and over again. Rather than a newly stabilized dollar, the world would be presented with a floating, or rather a sinking, dollar. With such a policy, moreover, America's domestic inflation could be expected to grow worse. By renouncing its obligations to the Bretton Woods system, the United States removed the international system's belated check to domestic inflation. In effect, Nixon's perpetual devaluation was the international analogue to Kennedy's domestic full-employment budget. In both cases, the American political system jettisoned a major barrier to its inflation.

The predictable consequences soon occurred. Nixon's expansionary policies continued. Arthur Burns' Federal Reserve accommodated.

The boom helped greatly, perhaps decisively, in Nixon's reelection. Domestic wage and price controls masked the domestic price of inflation until 1973, but the other sign of inflation, the huge balance-of-payments deficits, continued even after the 1971 devaluation.⁸ The United States, in other words, resumed exporting a large part of its inflation to the rest of the world. As this inflationary wave reverberated throughout the industrialized countries, along with a simultaneous boom, the prices of raw materials naturally began to rise sharply. And at the same time, long-term trends in supply and demand had made world food and oil prices, long artificially depressed in the United States by government policies, ripe for explosion. A failed Russian harvest proved the trigger for food prices; the Organization of Petroleum Exporting Countries (OPEC) oil cartel was on hand to seize the opportunities in oil.⁹

In due course, Nixon's inflationary boom evolved into a reces-

⁸ *Economic Report of the President, 1972*, p. 351.

⁹ Contrary to the popular impression, severe inflation preceded the oil-price rise by several years. Nixon's inflation did not "cause" the cyclical rise in oil prices, although it did help trigger the explosion of 1973. It also made real adjustment much more difficult.

sionary hangover. The cyclical downturn of 1974 and 1975 turned into a deep recession, exacerbated by food and oil prices that reduced real income and sucked away demand from other products. While recession brought temporary relief from price inflation, the inflation rate at the cycle's lowest point—1976—nevertheless remained more than five times higher than when Kennedy came into office in 1961.¹⁰

Despite its early disasters, the Nixonian policy was carried over into the Ford and Carter Administrations. By 1976 the United States had launched a second Nixonian boom, fueled by the usual mix of arms spending and expanding entitlements and sustained by the familiar combination of fiscal deficits and an expanding money supply. The consequences were equally familiar—accelerating inflation reached a new cyclical high—from the six-percent peak of 1976 to the 16.8-percent peak of 1980.¹¹ Furthermore, American policy actively pressed the dollar's depreciation. Thus, after falling 33 percent against the West German mark from 1970 to 1975, the dollar fell an additional 26 percent from 1975 through 1979.¹²

On the face of it, this combination of domestic inflation and external dollar depreciation appeared to work rather well, particularly from the short-term perspectives of politicians and their economic advisers. The 1976 boom lasted until 1980 and proved the longest in postwar history. Until late 1978, no serious attempt was made to curb domestic inflation. Indeed, depreciation of the dollar abroad compensated for the lost equilibrium at home.

After 1973, the Nixonian formula had acquired another element: the refusal to adjust the real economy to the new world oil prices. To do so would have meant reducing domestic demand for oil and other imports sufficiently to bring our trade into balance. This would have required letting domestic oil prices rise to the world level or imposing a serious quota and rationing system. Instead, government controls kept domestic oil prices low and foreign oil was imported without stint. Thus, while other industrial economies chopped overall domestic demand, the United States enjoyed a boom. From 1973 through 1979, other industrial countries stabilized or actually cut back their volume of imported petroleum. The United States, by contrast, increased its import

¹⁰ Consumer Price Index, *Economic Report of the President*, 1981, p. 293.

¹¹ Consumer Price Index, *Economic Report of the President*, 1978, p. 318 and *Economic Report of the President*, 1981, p. 293.

¹² *International Economic Indicators*, U.S. Department of Commerce, Washington: GPO, December 1980, p. 58.

volume by 34 percent.¹³ Adjustment to the new world oil price took place through inflation. Since foreign as well as domestic oil prices were denominated in dollars, the real price of oil, insofar as it remained the same, kept falling with the depreciating dollar and the inflating price of industrial goods.¹⁴ To add insult to injury, the falling dollar steadily depreciated the oil-producers' financial assets.

The regularly depreciating dollar also helped boost the competitiveness of American products at home and abroad. In addition, a floating dollar meant there was no need for control on flows of capital abroad; thus, what happened was not only the usual huge outflow of American capital, but along with it an extraordinary international expansion of American financial institutions. American banks, with access to seemingly endless liquidity, became the principal mechanism for "recycling" oil profits.¹⁵

Thus, in nationalistic terms the Nixonian strategy appeared to have many advantages in the short term. But in the longer term its disadvantages have become all too apparent. Much that has been counted as domestic growth seems questionable. While a decade of accelerated inflation and depreciated currency produced considerable gains in foreign trade and the overall gross national product, it also appears to have weakened the economy's vitality, as savings, investment and productivity increases declined to levels substantially below those of most other industrial countries.

Even the international growth of American banks may, in due course, prove a greater liability than benefit. Much of the expansion is the "recycling" of borrowed oil funds to underdeveloped countries. Some of the flow has undoubtedly financed real growth in Third World countries. But much of it has financed unrealistic levels of consumption, including a prolonged failure to adjust to new energy prices. The increasing shakiness of the world's financial structure is the obvious consequence. Attempts by U.S. banks to unload the spiralling Third World debts on the International Monetary Fund or the OPEC countries have understandably met with only limited success.¹⁶ While unsound financial structures

¹³ For volumes of oil imports, see *International Economic Indicators*, U.S. Department of Commerce, Washington: GPO, December 1980, p. 39.

¹⁴ *Economic Report of the President, 1981*, p. 289; and *International Financial Statistics*, Washington, D.C.: International Monetary Fund, November 1960, pp. 130-31; September 1977, pp. 148-49; January 1981, pp. 10, 52, 133-34.

¹⁵ For the role of American banks in petrodollar recycling, see Paul A. Volcker, "The Recycling Problem Revisited," *Challenge*, July/August 1980, pp. 3-14.

¹⁶ For a detailed presentation of the views and policies of the International Monetary Fund,

may be propped up indefinitely, no one will have any trouble explaining the causes of a major world financial crash, should one occur within the next decade. Meanwhile, any serious attempt to reduce world inflation, and hence the liquidity available for unproductive lending, will greatly increase the danger.

IV

This Nixonian policy, carried over in the Carter Administration, was nationalist or "mercantilist" both in its objectives and in its dependence upon using American political power to shape international economic relations. American domestic prosperity was linked to continuing devaluation at the expense of both the rich allies and OPEC. Throughout the decade, Europeans and Japanese remained caught in their original dilemma. To their manufacturers, a regularly declining dollar seemed a permanent beggarthy-neighbor devaluation. To their central bankers, supporting the dollar imported inflation. To those threatened by high world-energy prices, American profligacy reinforced both the cartel and the upward pressure on prices. To oil-producers themselves, falling dollars meant taking an asset that depreciated in the bank in exchange for an asset that appreciated in the ground. And to anyone concerned about inflation in the world, American policy seemed an unquenchable fount of excess money. Hence the increasingly tense and competitive relationship between the United States and its economic partners since Nixon and Connally's revolution.

Paradoxically, the Nixonian strategy depended upon the continued cooperation of those partners. For the American capacity to escape retaliation from inflation at home and depreciation abroad depended specifically upon the continuation of American monetary or dollar predominance within an integrated international system. And, given its growing economic disadvantages to others, that monetary hegemony, in turn, increasingly depended upon America's broader geopolitical power.

Three dimensions of this American geopolitical primacy were particularly critical in sustaining the Nixonian economic policy:

(1) American influence over Western Europe and Japan to prevent serious retaliation against exported inflation and a continually declining dollar;

(2) American influence over the Middle East to restrain OPEC

see J. de Larosi re, "Address Before the Annual Assembly of the Federal Association of German Banks, October 1980," *IMF Survey*, November 10, 1980, pp. 346-351.

from raising oil prices to compensate adequately for American inflation and the declining dollar; and

(3) American détente with the Soviet Union sufficient to inhibit direct Soviet challenges or Soviet support for others inclined to challenge American influence and power in the Middle East or among the noncommunist industrialized countries.

To take up each condition briefly:

The ability to depreciate the dollar without retaliation after 1971, like American dollar hegemony in the latter days of the Bretton Woods system, depended essentially upon America's political and military relationship with Western Europe. For the Europeans, resolution of the dilemma posed by the dollar's continuing devaluation lay in building a protected economic bloc. So radical an assertion of independence, quite apart from its political difficulties and economic costs among the Europeans themselves, was hardly compatible with Europe's dependent relationship as an American military protectorate. While progress toward détente, and toward a German settlement in particular, clearly reduced American leverage over Europe, no amelioration of tension was likely to change the fundamental military realities, at least not until the Europeans were prepared to pay for a more independent military posture.

As discussed above, the American economic strategy that evolved after Nixon included a refusal to adjust the real economy to the new oil prices. The actual adjustment came through an inflation and dollar depreciation that steadily lowered the real oil price to the United States. The success of such adjustment depended, of course, on the oil-producers not regularly raising the dollar price of oil sufficiently to compensate for the inflation. That OPEC did not raise its prices adequately after 1973 until 1979 was the consequence not only of a temporarily surfeited petroleum market, but also of American power in the Middle East. America's overwhelming ascendancy in the region began after the October 1973 War. Egypt's break with the Soviets effectively expelled the Soviets from participation in the regional balance. With Kissinger's shuttle diplomacy and the scuttling of the Geneva talks, the United States took over management of the Arab-Israeli dispute—ejecting not only the Soviets but the Europeans as well. For several years diplomatic control of the Arab-Israeli dispute gave the United States considerable leverage. In addition, the key oil-producing nations saw themselves as heavily dependent on the United States for their basic security.

In 1973, Kissinger began a policy of heavy arms sales to Iran

and the following year to Saudi Arabia. Each was to be not only a huge source of profit for the United States but also a "surrogate" for American power. Relations with the Iranian regime grew so close that the United States became, in effect, the Shah's partner in the modernization of Iran. With these special relations, which both the Shah and the Saudi ruling family desired, America's regional influence helped deter any drastic rises in OPEC's oil prices sufficient to compensate for American inflation and currency depreciation.¹⁷

Bipolar détente had less direct but nevertheless significant effects for American economic strategy. Détente reinforced the status quo in Europe and tended to do the same in the Middle East. Since both regions were too central to the vital interests of the superpowers to permit much room for dramatic maneuver, détente robbed potential rebels against American ascendancy of the Soviet support they might normally have expected. In summary, until the late 1970s, the Nixonian economic strategy had the political power it needed in the two regions of the world critical to its success.

The refurbishing of America's world position during the Nixon and Ford Administrations that sustained economic strategy was highly conscious, well-articulated, and for a time brilliantly successful. Unfortunately, it has also proved extremely vulnerable. By the end of the decade, as we know, bipolar détente was a shambles, American predominance in the Middle East had collapsed, and relations with Europe were worse than at any time since the war. Among its other effects, this geopolitical deterioration spelled the beginning of the end for the Nixonian economic strategy.

Why did the American position deteriorate so rapidly? Actually, all parts began to deteriorate together. The most spectacular "loss" for American power was the collapse of the Shah's regime in Iran, a profound social and cultural upheaval full of implications for the Muslim world as whole. The United States was singled out as the revolution's principal enemy, mostly because it had taken such an extended, visible, and direct role in the Shah's domestic system. The United States became the scapegoat for a century or more of accumulated Persian resentments against the

¹⁷ See footnote 14. Despite the much higher prices, world oil consumption has not declined absolutely, nor have reserves risen significantly. With shortages widely expected in the mid-1980s, it becomes increasingly difficult to argue that the oil price is too high. See Robert N. Dunn, Jr., "Exchange Rates, Payments Adjustment and OPEC: Why Oil Deficits Persist," *Princeton Essays in International Finance*, December 1979.

West. Khomeini's revolution also raised disturbing questions about the dangers of imposed technocratic "development" for either the domestic stability of any developing country, or for world order in general. Iran also revealed the vulnerabilities of American "hegemony on the cheap," with "surrogates" substituting for direct American power. And, as the subsequent Iraq-Iran war threatened chaos and destruction to the entire oil region, the dangers of dumping arms in unstable parts of the world grew increasingly vivid.

America's détente policy with the Soviet Union also proved highly vulnerable. While détente, stretching back to the late 1950s, had seemingly reached its apogee under Kissinger, its foundations had been eroding in Kissinger's later years. The first strategic arms limitation (SALT) agreement outraged congressional conservatives. Anger multiplied as Russian military strength was seen to be growing and, with it, Russian assertiveness in the Third World. Insatiable Soviet imperialism, it was thought, was mocking the premises of détente. By 1975, Kissinger himself had complained bitterly over the incursions of Russia and its Cuban surrogate into Angola.

The Carter Administration, despite its eccentric early disarmament proposals and its awkward preoccupation with human rights in the Soviet Union, nevertheless made a major diplomatic effort to follow the logic of bipolar détente through SALT II negotiations. But the steady growth of anti-Soviet opinion made ratification of any SALT II treaty increasingly improbable. To save the treaty, the Administration felt constrained to appease the forces hostile to it. To seem legitimate before those forces, SALT II had to be presented as a victory over the Soviets, rather than a new step toward mutual accommodation. Since nothing could compel the Russians to accept terms sufficiently unbalanced to be presented as an American "victory," the Carter Administration put itself hopelessly on the defensive before its domestic critics.

The self-defeating contradictions of Carter's policies became painfully obvious during the Afghan crisis in late 1979. The Administration took the invasion as an aggressive challenge to America's Middle East position and a general betrayal of détente. To show strength and punish the Russians, several years of Western "bridge-building" were finally dismantled in short order. While the Administration's conservative domestic critics were thus preempted, the SALT II treaty was also doomed.

Predictably, the United States also put itself sharply at odds with its European allies. As unenthusiastic about Soviet incursions

into vital oil regions as the Americans, Europeans were prepared to condemn the invasion, warn the Russians about Pakistan and the Gulf, and make matters in the region itself as difficult for the Soviets as possible. Europeans also hoped to take advantage of Muslim outrage over Afghanistan to deflect the Iranian revolution from its anti-Western preoccupation, and were thus disinclined to join in American sanctions against Iran. But Europeans were not willing to let Afghanistan become the occasion for a return to the cold war in Europe itself. Rightly or wrongly, the Europeans felt they had more to lose than to gain from an end to détente in their own region. Thus, whereas the United States saw Europe as a place to put pressure on the Russians as part of a global game, Europeans believed Europe should, if at all possible, remain a safe zone insulated from the confrontations inevitable elsewhere.

In effect, the Europeans came to have their own distinct interests in détente. From de Gaulle's time onward, they had done their best to prevent Western-Soviet relations from being managed exclusively by the Americans. Among other things, a détente policy of their own now gives Europeans room for maneuver against too much American domination, in the economic sphere particularly. To be sure, European diplomacy toward the Russians takes place within the context of their fundamental "Western" orientation. Not even de Gaulle ever intended some dramatic reversal of alliances. Militarily, the states of Europe remain American protectorates, but nevertheless determined to keep the price for that protection within reasonable bounds. Anyone familiar with European views of American foreign economic policy does not find that determination altogether surprising, particularly in a period of extreme transatlantic tension over what has seemed a ceaseless American exploitation of dollar hegemony.

Keeping down the price for their American protection requires maintaining "normal" if wary relations with the Russians within Europe itself. In addition to this broad geopolitical imperative, détente brought Western Europe numerous commercial advantages, made life easier for East European states, and had many human benefits. Thus, to have expected the Europeans to jump to the new tune, to break their carefully cultivated regional relations with the Soviets, was to court a rebuff. Indeed, a certain degree of heightened Soviet-American tension outside Europe was not altogether unwelcome to the Europeans. It seemed to give them leverage for a more independent position, insofar, that is, as amateurish American diplomacy and aggressive Soviet adventurism did not plunge the world into a war.

As might have been expected, the deteriorating American position in the Middle East and Europe began to have significant consequences for American economic policy during the Carter Administration. The decline of the Nixonian *pax Americana* forced a retreat from Carter's essentially Nixonian economic policy. In both Europe and the Middle East, 1979 proved a critical turning point.

The European-American polemic over economic policy grew steadily worse as the Carter boom continued. By the fall of 1978, the virulent criticism from European governments, and what already seemed a dangerous tendency toward exaggerated swings in the world currency markets, forced an apparent American retreat. The Federal Reserve seemed prepared to apply restraint on the money supply and the Treasury organized an elaborate set of arrangements to defend the value of the dollar.¹⁸

Within a few months, however, American economic policy had slid back into its habitual easy posture. The result was the collapse of the dollar that began in the summer of 1979 and extended to the winter of 1980. So severe were the dumping of dollars, the explosion of gold prices, and the decline of the domestic bond market that some catastrophic flight from the dollar began to seem a serious possibility. In effect, these market reactions represented a sort of European-Arab revolt against American economic policy. Foreign holders of dollars began to exercise their financial power in a fashion that compelled an American retreat. During 1979, Europeans also managed an apparently successful revival of their perennial project for a European Monetary System. In effect, a reinvigorated Franco-German coalition imposed a distinct monetary regime on the rest of continental Western Europe, a "zone of stability" that began to set in place structures that could be used to erect a separate Europe-centered economic bloc, with a reserve currency to rival the dollar.

Arab disaffection, as well as the effects of the Iranian revolution in shrinking the oil supply, also became evident in the vital sphere of oil prices. From the summer to December of 1979, OPEC managed to agree on the first major increases in real (inflation-discounted) oil prices since 1973, an accomplishment repeated again at the end of 1980.¹⁹ Nothing reflected more clearly the

¹⁸ For the Federal Reserve's initiatives, see *Economic Report of the President*, 1979, pp. 154-56.

¹⁹ See note 14. Between June 1973 and June 1974, OPEC prices jumped from \$1.50 to \$9.50 a barrel. The second big jump did not take place until November 1979, when prices rose to \$24.00 a barrel. August 1980 saw OPEC set the price at \$30 a barrel (for Saudi Arabian light crude). See *International Financial Statistics*, January 1981.

decline of American geopolitical power over the Middle East.

The consequences for the American domestic economy are, of course, familiar to everyone in this country. In mid-1979, the Federal Reserve began a policy of unprecedented restraint on the money supply, and the President, within a few months, began calling for a balanced federal budget. By April 1980, interest rates had reached 20 percent and the long-delayed cyclical downturn finally hit with exceptional severity. The second quarter saw a decline in industrial production even worse than in the recession of 1974-75. While economic prospects brightened over the summer of 1980, particularly as money grew less tight before the election, the start of a new and sustainable Nixonian boom in 1981 seems unlikely. Whatever the predispositions of the Reagan Administration toward arms spending and tax cuts, the continued virulence of American price inflation, combined with the heightened dangers of foreign retaliation, should preclude a return to the old pattern.

Neither oil nor currency markets are likely to tolerate passively a new burst of American inflation. The Iraq-Iran war quickly dissipated any oil glut following the 1979 price rise, and thus prices were again rising substantially in the latter part of 1980. Under these conditions, OPEC would have little difficulty in sustaining sharply higher prices, should American inflation accelerate and currency depreciation resume. Europe, meanwhile, has been heading into a cyclical downturn of its own, a development that should quickly translate any American domestic inflation into downward pressure on the dollar. In short, world economic conditions, in themselves, make it highly dangerous for the United States to resume dollar depreciation. To do so risks not only runaway inflation at home, but rapid deterioration of the international system, with incalculable political repercussions.

VI

If the Reagan Administration is constrained to renounce the Nixonian pattern of behavior, how will it avoid the monetary restraint of the past year, in other words, a continuation of stop-go and stagflation? To flourish without the Nixonian strategy, the United States will have to find some fundamental new economic formula for achieving domestic prosperity without generating inflation.

Analysts who cannot agree on the causes of inflation are unlikely to agree on its cure. Inflation obviously has deep roots in the structure of our whole political economy. But in the cure as in the

cause, government policy is the critical checkpoint. The federal government's own easy money policy used to finance budget deficits plays a crucial role. Whatever else may be needed, inflation is unlikely to end until the government stops running large fiscal deficits through all phases of the business cycle. Long-range remedies cannot be expected to make progress in the face of persistent, relentless inflationary stimulus from the government's own spending and finance. Ending inflation must start with ending those government policies that have been fueling it.

In particular, the perpetual budgetary disequilibrium financed by an easy money policy must stop. As recent years ought to have made clear, not to mention British Prime Minister Thatcher's experiment, controlling the money supply alone cannot be efficacious without concurrent budgetary constraint. Bringing American budget deficits under control will presumably require an extremely bitter and divisive struggle within the political system. Not only will there be an intense battle over the domestic component of the budget, but, inevitably, a reordering of priority between domestic and foreign goals. The task is complicated by the strong pressure in recent years for a major American rearmament. To put its fiscal affairs in order, the United States will either have to sacrifice more at home to pay for its international position, or it will have to scale down its world commitments.

However conventional and commonsensical such an analysis may be, its conclusion is highly unsatisfactory politically. Indeed, over the past two decades a great deal of economic talent has been devoted to avoiding just such a conclusion. On the one hand, demands for domestic American spending are urgent for all the reasons common to advanced societies everywhere. On the other, America's security is plausibly linked to international stability, and that stability to a wide range of American military commitments. The United States, moreover, has grown deeply habituated to both the pleasures and pains of world responsibility, as well as to the convenient foreign escapes the world role provides for domestic economic and social disequilibria. Resistance to change in what might be described as the imperial status quo is thus structured all across the American political spectrum. Nor is resistance confined to the United States. While our rich allies and OPEC would doubtless welcome an end to American inflation, most, even in OPEC, would not like a corresponding American withdrawal from international burdens.

Rather than face such divisive and dangerous choices, any Administration naturally will try to sustain the juggling act of the past 20 years. Some new infusion of "will" and competence, or

magic new economic formula, will be sought out to cure the growing disproportion between America's ambitions and her resources.

If the recent campaign is any indication, the Reagan Administration's evasive fantasies will lie with "supply-side" economics and a reassertion of foreign policy activism. Ironically, both are reminiscent of the Kennedy Administration. In present circumstances, however, neither is likely to provide much respite from the underlying policy crisis.

Supply-side economics is the latest version of the hope that inflation can be cured through rapid growth. Unlike the neo-Keynesians, who seek growth by stimulating demand, supply-siders seek growth by stimulating supply. Many of their recommendations are praiseworthy. A sensible revision of tax laws to encourage saving and investment is doubtless long overdue, and the government's mania for regulation badly needs curbing. In due course, such policies may well increase efficiency and production and thus provide more supply to satisfy a level of demand that is now inflationary. But the problem of inflation is not only long-range, but also immediate. Deregulation and tax changes are unlikely, in themselves, to generate at once the magical flood of new resources needed to eliminate current inflation. And unless inflation can be curbed in the short run, it is unlikely to be cured in the long run. A good case can be made, after all, that our high and accelerating inflation has itself become the principal drag on long-range investment and growth. As long as inflation is rampant, unsettled economic and social conditions themselves profoundly discourage personal saving and long-range business investment.

In summary, as the government's own undisciplined spending remains the principal efficient cause, inflation cannot be curbed without addressing directly the problem of the government's budget, that is to say, the existing structure of domestic and foreign goals and commitments. Without eliminating the government's perpetual deficits, supply-side economics will prove only one more in a long line of postwar gimmicks.

Along with economic gimmickry, recourse to foreign policy has been our government's other conventional escape. Along with its new version of Kennedy economics, the Reagan Administration will doubtless be tempted to restore a Nixonian foreign economic policy. Since the present policy dilemma over inflation is made urgent by America's geopolitical decline, a restoration of American external power is bound to seem a highly attractive alternative to domestic budgetary battles and strategic foreign retreats. De-

cline in America's geopolitical primacy was, after all, a major campaign issue.

The new Administration has arrived in power with two broad theories about America's foreign decline and how, therefore, to reverse it. What might be called the Administration's Literary Right sees the decline in recent years as a pusillanimous failure of will to compete with the Soviets, a diffidence combined with wishful thinking about Soviet intentions and an excessive tenderness toward the outrageous claims of the Third World. The other major theory, understandably popular in Kissingerian circles, blames American decline on a radical falling off of competence in the management of foreign policy after 1976.

Hopes for a quick restoration of American power rise from these analyses of the decline. Moral and military rearmament, it is believed, can restore American primacy. With restoration, Nixonian economic policies could also presumably revive. OPEC could be intimidated and Europeans overawed. Time would be made available for expansive supply-side economics to bring about structural improvements. Inflation could be cured through abundance rather than restraint. Foreign power would once again come to the aid of domestic economics. How realistic are such hopes?

To begin with, while the Nixonian economic policy has helped several sectors, it also brought inflation rather than real prosperity, as our present condition makes clear. But quite apart from its questionable economic expectations, the case for a restoration of American global predominance depends upon an unrealistic and excessively partisan view of why American power has declined. While the Carter Administration, like most others, doubtless had its inadequacies, the geopolitical decline that underlies the current impasse is not some fortuitous collection of accidents and tactical mistakes, nor the consequence of a pusillanimous disposition in high places. The contradictions manifest in Carter's foreign policy were long-standing. They reflected a persisting American failure to develop a basic strategy appropriate to the logical evolution of the postwar world. The point needs to be addressed before returning directly to its economic consequences.

VII

Many of Carter's awkward tergiversations in foreign policy reflected the effort to sustain already obsolescent American perspectives of the 1960s, carried over in Kissinger's flashy reconstruction of the 1970s. These views have become the "mother errors"

in American foreign policy. They include not only the inadequate foreign and domestic economic policies that have already been described at length, but also an unrealistic view of détente and an unrealistic view of transatlantic relations.

To start with détente: neither Carter, nor Kissinger before him, thought through adequately the consequences of a détente policy toward the Soviet Union. Just as Kissinger wanted hegemony on the cheap in the Middle East, so he expected détente on the cheap in the world at large. Both expectations represented wishful thinking doomed to disappointment.

Ever since the 1960s, détente had rested upon America's increasing acceptance of Soviet nuclear parity. Predictably, nuclear parity would alter decisively the American capacity to deny the Soviets influence in the world at large. Since the growth of Soviet strategic nuclear power had manifestly been accompanied by expanding Soviet conventional capabilities for intervention beyond their traditional sphere, strategic parity pointed toward a troubled period of local challenges and negotiations. It was unreasonable to acknowledge the Soviets as our strategic equals without expecting them to demand a greater influence in local affairs throughout the world. But in regions of vital interest to the West, like the Persian Gulf, Soviet adventurism could easily deteriorate into direct superpower confrontation. Under these circumstances, it was essential for the United States to do its best to limit the opportunities and raise the costs of Soviet meddling. In a world of rampant nationalism, much of the effort, to be effective, would have to be diplomatic, economic and political.

There was also an inescapable military dimension. The Russians were particularly likely to lose their heads in a world where the conventional military balance was shifting decisively against the United States. It was hardly the time for a drastic drawing down of conventional American military strength. Since, with parity, neither side could credibly resort to strategic threats over peripheral challenges, local military and political power would logically grow more decisive. But Nixon and Ford, caught in the backlash of the Vietnam War, gradually cut real military spending, particularly after 1972. Most cuts fell on conventional arms, particularly after the end of the draft in 1973. Carter tried to reverse the trend, but still without the draft²⁰. But as Carter's budgets illustrated all

²⁰ See footnote 5. In 1973 the draft was replaced by an all-volunteer force. During the transition period, active forces were reduced by 600,000 (20 percent of the 1960 level). Selected reserves were reduced by 20 percent, and standby reserves were reduced by about 60 percent. For the volunteer army's significance for U.S. defense posture and capability, see Kenneth Coffey, *The Strategic Implications of the All-Volunteer Force*, Chapel Hill: University of North Carolina Press, 1980, pp. 51 ff.

too clearly, major additions to defense expenditures could not easily be reconciled with the fiscal discipline needed to control inflation.²¹ No amount of patriotic rhetoric or fiscal legerdemain could make the dilemma disappear.

Carter's political problems were compounded by the general overselling of détente, typical perhaps of all postwar Administrations but particularly egregious in the Nixon-Ford era. Nixon and Kissinger, like Kennedy and Johnson before them, had a strong tendency to talk as if détente would resolve the world's problems. Such expectations not only belied the probable effects of parity on Soviet-American competition throughout the world, but also exaggerated the capacity of either Russia or the United States to influence global events. In reality, both superpowers were growing relatively less important among states. Even had they wished it, they could not have run the world between them. Their diminishing power, moreover, while not diminishing their competition, did change its context and form. As the superpowers declined, the international system of cold-war blocs gradually gave way to an arena of volatile nationalist states. Alignments grew more conditional and wary. Double-dealing was to be expected.

No Administration in the 1970s took on the task of giving the public a proper set of expectations about Soviet-American relations. No one provided a new strategic idea to replace the bipolar containment of the Acheson-Dulles era. Hence a new public consensus was never created around a realistic view of America's diplomatic and strategic position following strategic parity. The United States was thus doubly unprepared for parity. The public had unrealistic expectations from bipolar negotiations, while the military was woefully unadapted to cope with the new situation. As the public inevitably felt deceived in its expectations about the Russians and outraged at American weakness, it turned against SALT and détente itself. Foreign policy without a firm base in public support gradually lost its legitimacy. An increasingly confused and unpredictable public opinion oscillated between impossible expectations and unreasonable anger. With political leaders providing no clear and realistic conception of national interest, foreign policy soon became captive to vigorous special interests.

This inability to lead the American public toward accepting a

²¹ Defense-spending increases were especially heavy in fiscal years 1979 (\$12.5 billion), 1980 (\$18.2 billion), and 1981 (\$25.2 billion). In the same years, overall fiscal deficits were \$27.7 billion, \$59.6 billion, and \$55.2 billion, respectively. (Figures for both 1980 and 1981 are estimates.) In a downswing, of course, deficits are greatly swollen by anti-recession stabilizers, as well as a relative decline in revenue. Figures are from *Economic Report of the President, 1981*, pp. 314-15.

more complex world must be counted as the major failing of American foreign policy in the 1970s. Like the failure in America's foreign economic policy, it was a failure at home rather than abroad. The fault lay not with the Russians, who, on the whole, behaved as might have been expected: they kept their strategic agreements without ceasing to be as cautiously aggressive as they have always been. The fault lay with an American leadership that expected more from superpower détente than it could reasonably deliver, that failed therefore to endow the American public with a realistic view of the world and failed, finally, to equip American forces properly to deal with that world.

The consequences were by no means limited to Soviet-American relations. The same inability to grasp the evolving character of interstate relations began to poison transatlantic relations as well. Superpower détente based on nuclear parity called for a basic rethinking of the constituent strategic principles within the Atlantic Alliance. Soviet-American nuclear parity would inevitably put in question the credibility of the American deterrent for Western Europe. A new American attitude toward independent European deterrents was in order, along with a reshaping of NATO.

Reshaping, however, hardly meant ending the Alliance. Under almost any conceivable circumstances European deterrence is greatly reinforced by its American connection. But it meant recognizing that the American deterrent would no longer be considered, in itself, sufficient for European security. Increasingly, collective nuclear security based on American power would have to be supplemented by European national strength. Kissinger, while talking a good deal about adjusting to a more plural world, had, in fact, done his best to sustain America's European hegemony in its most traditional form. The Carter Administration, in the same vein, had actually reinforced American opposition to nuclear "proliferation" and thereby came perilously close to a major quarrel with the European allies over commercial nuclear development.²² In summary, America's European policy revealed the same inner contradiction as its détente policy. A strategic policy with the Soviets that inevitably lessened the value of the American nuclear protectorate for Europe was combined with a strategic policy in Europe that presupposed its undiminished continuation.

²² See Karl Kaiser, "The Great Nuclear Debate: German-American Disagreements," *Foreign Policy*, Spring 1980, pp. 83-110. See also David P. Calleo, "Faulting Nuclear Diplomacy," *The New York Times*, June 7, 1978, p. A23, and "Of Atoms and Allies," *The New York Times*, June 18, 1978, p. E19. For a defense of the American position, see Joseph Nye, "Nonproliferation: A Long-Term Strategy," *Foreign Affairs*, April 1978, pp. 601-23.

American hegemony has been acceptable to Europe since World War II because it has provided security not only for Europe's own territory, but also for Europe's access to raw materials and markets in the Third World. At the same time, as America's combination of inflation, dollar depreciation, and failure to adjust to high energy prices increasingly offended the interests of both the Europeans and the oil-producers, Europeans also grew increasingly skeptical of America's ability to defend their interests in the Third World. Instead, as has already been said, American policy seemed bent on destroying détente in Europe to compensate for America's weakness in the world at large. Thus, as American relations deteriorated with Russia and the Middle East, they also deteriorated with Europe itself. The causes were not only the long-standing economic frictions, but a growing divergence of security interests.

In summary, the present crisis in American foreign policy, like the crisis in domestic economic policy, has been gathering through several Administrations. As Europe and Japan have revived and the Third World developed, the international system has grown more plural. With strategic parity, the superpowers have themselves grown more equal. These changes have inevitably affected America's world position. They represent not so much the decline of America as the revival of the world.

They do not, moreover, represent the defeat of America's fundamental postwar policy. On the contrary, with its goals of European recovery, superpower détente, and Third World development, American world leadership has encouraged the very evolution that has led to its own relative decline. While, from one perspective, such a policy may seem foolish or irresponsible, from another, it seems not only generous but eminently practical. In this latter perspective, the United States lacks the temperament and institutions to impose a permanent imperial order. And despite America's continuing vast resources, a reviving world is unlikely to tolerate any imperial system for more than a few decades. To base America's future as a nation upon its episodic career as the dominant world power would have been a very bad bet historically.

Nixon economics, to be sure, was a mutation in that postwar policy. America's domestic prosperity came to depend upon the exploitation of her geopolitical primacy. A predictable evolution of events since the late 1970s has now shaken that primacy, with a resultant discomfort to domestic prosperity. To try to restore primacy would be, in effect, to try to reverse the geopolitical trend

of the past two decades. Such a policy, if pursued seriously, carries great risks for ourselves and for the world. Among the greatest and most immediate risks is the predictable effect of such a foreign policy on domestic American inflation, as a look at the current budget makes clear.

VIII

Prospects for fiscal balance deteriorated markedly in the final days of the Carter Administration. In early 1980, the President was calling for a balanced budget. By the end of the year, estimates of the deficit for fiscal 1981 were running up to \$60 billion.²³ Reagan came to office pledged to end Carter's inflation and stagnation. By early March, the outlines of the new program had been sketched.²⁴ Despite the new President's great popularity and the public's widespread concern over inflation, opposition has been gathering. The budget debate will become a major political battle. That is as it should be.

Problems of budgetary control go to the very heart of the nation's character and capacity for rational government. A budget is a mirror of the political system and the society beyond. A budget perpetually out of balance indeed suggests ambitions in excess of resources. But where does the excess lie in the American budget? While the subject is obviously vast and controversial, some crude but compelling generalizations may nevertheless serve to illustrate the broad issues. Along with supply-side tax cuts to induce investment and growth, the Reagan proposals demand drastic reductions in domestic spending and sizable increases in military spending. In effect, the burden of fiscal adjustment is to fall on domestic programs. No doubt all capitalist countries have grown self-indulgent and any serious attempt to bring American inflation under control will require a determined campaign to cut domestic expenditure. Among the advanced industrial democra-

²³ David A. Stockman as quoted in Peter Behr and Lee Lescaze, "Reagan Economists Urge Swift Spending, Tax Cuts," *The Washington Post*, January 8, 1981, p. A4.

²⁴ A progressive series of supply-side tax cuts were to reach an annual sum of \$100 billion by fiscal year 1983. These would, it was hoped, restore prosperity which would, in turn, augment federal revenues and cut transfer payments. Widespread deregulation was also expected to encourage long-range growth. To compensate for short-term losses of revenue, cuts of some \$49.1 billion in civilian expenditures were proposed for fiscal year 1982, with the total to rise to \$79.7 billion in 1983. Large increases in military spending authorizations, however, were requested on March 4, but the impact on 1982 was estimated at only \$4.8 billion. In general, tight monetary policy was counted upon to dampen any inflationary impulse from fiscal policy. The Fed would be helped, it was hoped, because the new Administration's manifest determination and competence would lower "inflationary expectations." See *America's New Beginning: A Program for Economic Recovery*, The White House, Office of the Press Secretary, February 18, 1981. For military requests, see *The New York Times*, March 5, 1981, p. A1.

cies, however, the United States does not appear exceptionally profligate in the sums it devotes to domestic purposes.²⁵

Expecting to balance budgets largely by deep cuts in domestic programs therefore presupposes either that the American government can provide services more efficiently than other governments, or that the American people are less demanding than those of Europe. Neither presupposition seems well founded. The country's size and diversity, reflected in its Constitution and general political and economic culture, make an exceptional degree of bureaucratic efficiency improbable. And without the violent shock of a major war, the American public is more likely to resemble its European cousins than the disciplined and downtrodden Russians.

America's comparative military spending is another matter, as the following table makes clear:

DEFENSE EXPENDITURES AS PERCENT OF GNP, 1979

United States	5.2 percent
United Kingdom	4.9 percent
France	3.9 percent
Federal Republic of Germany	3.3 percent
Italy	2.4 percent
Japan	0.9 percent

Source: *The Military Balance, 1980-81*, London: International Institute for Strategic Studies, 1980, p. 96.

Is America's defense budget too large? Controversy over this subject has raged for several decades, and is unlikely to be resolved here. Much of the traditional argument concerns itself with the usefulness of particular weapons systems—manned bombers, mobile missiles, aircraft carriers, etc. Over three-quarters of military expenditures go for “conventional” forces. A large proportion of those expenditures either go to manpower, or are tied closely to the level of manpower.²⁶

Different foreign policies obviously require different military resources. The proposals and pronouncements from the Reagan Administration suggest it may be flirting with restoring America's

²⁵ Government expenditures for social security programs as percentages of GNP for selected countries were, in 1977, as follows: Canada: 14.6 percent; France: 26.5 percent; Federal Republic of Germany: 26.5 percent; Japan: 8.7 percent; Sweden: 30.7 percent; United Kingdom: 17.1 percent; United States: 13.7 percent. These figures are based on data provided by the International Social Security Association.

²⁶ A precise breakdown of expenditures for conventional and strategic forces is complicated because major programs such as Research and Development, Central Supply and Maintenance, Intelligence and Communication, Administration, and General Personnel Activities encompass both. Nevertheless, Strategic Forces, in comparison with programs strictly defined as conventional (General Purpose Forces, Airlift and Sealift, Guard and Reserve Forces), present at most 15 percent of the total. See *Department of Defense Annual Report, FY 1980*, Washington: GPO, 1981, p. 321.

world primacy. Such a policy, turning back the geopolitical clock to the mid-1960s, would be very expensive. But even the Carter Administration, presumably devoted to détente and a more relaxed international view generally, nevertheless felt America's present international role and commitments required augmenting military expenditures substantially. Was the Carter defense budget also too large?

Most of Carter's increases went for conventional forces.²⁷ Behind the increases lay the Administration's perception that, in a world with greater Soviet reach and so many new powers, trying to hold the same commitments with stretched forces increasingly risked embarrassment and danger. Experiments with "hegemony on the cheap," using surrogates such as Iran, were reckoned to have turned out badly. In short, even the Carter Administration believed the United States insufficiently armed for its commitments.

Should this widely held belief be true, saving money on defense, if it is to occur rationally, requires some new formulation of national interest that reduces American commitments, and not merely the forces used to meet them. To reduce spending in a world where power is increasingly widespread, the United States will have to concentrate its own military responsibilities, while relying on a more effective diplomacy to seize the advantages of leverage. Such a course assumes the existence of regions where American interests are no longer worth the resources needed to underwrite their security, or where indigenous forces are themselves able to take a significantly larger share. Are there such regions?

Any inventory of American commitments in the world is bound to note the central place of European defense and the anomalous relationship between the United States and the West European states. For three decades, from a third to a half of the entire American defense budget has been devoted, directly or indirectly, to forces to defend Western Europe in a massive conventional war. In the 1981 fiscal budget, the cost is reckoned at some \$81 billion.²⁸

²⁷ Whereas from fiscal year 1977 through fiscal year 1980, expenditures for strategic forces increased from \$9.4 billion to \$10.8 billion, expenditures for General Purpose Forces jumped from \$40.2 billion to \$50 billion (current dollars). *Department of Defense Annual Report, FY 1977*, p. A13; *FY 1980*, p. 320.

²⁸ A precise cost for U.S.-NATO forces cannot be provided since most force elements have more than one purpose, and, in any major confrontation with the Warsaw Pact, all U.S. forces would be made available. Nevertheless, a recent U.S. response to the NATO Defense Planning Questionnaire estimates the cost of forces formally committed to NATO to be approximately \$81.1 billion or around 51 percent of the total defense budget for FY 1981. The "formal commitment" figure is derived by adding the total cost of \$57 billion for "forces rapidly available to NATO" (General Purpose Forces forward deployed in Europe and U.S.-based forces ready to deploy solely for the defense of Europe), and a sizable fraction of the total cost

In effect, the United States assumes the primary responsibility for managing the continent's conventional defense. Hence an American commander for NATO, a fleet in the Mediterranean, large tactical air units, and ten divisions either stationed in Europe or able to get there in time for the decisive battles.

America's commitment to manage Europe's ground defense was undertaken in 1950, when American strategic superiority made a European land war improbable. At the same time, the weakness of the European states made their own self-defense problematical and American reassurance essential to their recovery. This American commitment to a mass army for Europe has now continued for over 30 years, with little or no account taken of Europe's economic and political recovery. While the reasons for America's profound interest in Europe's fate may not have changed since 1950, by any objective measurement of relative resources the United States plays a disproportionate role in European defense. Meanwhile, the Soviet Union has achieved nuclear parity, which inevitably undermines the credibility of our foreign commitments. And the United States itself has given up the draft in the face of a deep public antipathy to military service, a development that obviously limits our ability to provide a reliable mass army for a continental war.

America's huge annual bill for NATO reflects a fundamental political problem within the Alliance. Today the major countries of Western Europe are among the world's half-dozen richest and most powerful states. But NATO's structure still suggests a relationship appropriate to the Romans and their auxiliaries, or Napoleon and his satellites. This Napoleonic model means that we actively manage Europe's forces and hence are constrained to keep a preponderant conventional force of our own for the European theater.

In place of the present Napoleonic structure, a more traditional balance-of-power alliance seems in order. Shifting responsibility for managing European ground defense to the Europeans could, in theory, save the United States a substantial budgetary sum. It can be estimated, for example, that disbanding six of the present ten U.S.-NATO divisions would alone bring, within three years, an annual saving to the defense budget of some \$30 billion.²⁹ Sav-

for "multi-purpose forces," i.e., \$24.1 billion out of \$74.8 billion. (General Purpose Forces that would be used in a NATO conflict but made available for other conflicts: Strategic Reserves, Strategic Forces, Intelligence and Communication facilities). Department of Defense estimates, 1981.

²⁹ Congressional analysts assume an immediate annual saving of \$2.28 billion for each NATO division disbanded, with double the annual savings possible from reductions in infrastructure and equipment costs within three years. The figure of \$2.28 billion assumes a

ing on any such scale could go a long way toward ending America's regular fiscal deficits. For the years 1977, 1978 and 1979, for example, the annual deficits were \$45 billion, \$49 billion and \$28 billion respectively. In the coming budgetary battles, with painful domestic sacrifices being called for, potential savings of this magnitude are unlikely to escape notice. Among other things, such savings would make it much easier to find the resources to counter Soviet adventurism in the Third World.

American leaders have been trying to shift NATO burdens to the Europeans since the early days of the Alliance. Despite Europe's great increase in resources, the United States has never succeeded. Every Administration has had the same quarrel. Carter's celebrated argument over three-percent increases was only the most recent in a long series. America's poor record suggests the need for a new approach. Without pretending here to elaborate the details of a new Alliance policy, certain broad orienting principles may at least be suggested.

The first has to do with the relationship between the American contribution and the American role. As long experience indicates, major European powers only grudgingly contribute more to arrangements that keep their defense under direct American control. Within an alliance, military power and political independence tend to go hand in hand. Of the three major European states, France has increased its defense budget the most in recent years, Germany the least. France, it may also be noted, is the only West European country that has already moved to a traditional alliance relationship. In short, the most probable way to get the Europeans to take a much larger share of the burden of NATO is to let them run it.³⁰ At the very least, it seems time for a European commander

saving of \$1.35 billion from the combat element (at full strength); \$450 million from the sustaining increment (estimated at 75 percent of full strength); and \$450 million from the tactical-support increment (estimated at 60 percent of full strength). Such calculations are inevitably complex and approximate and are presented only to give a rough idea of the magnitude of present costs. The figure of \$30 billion in the text presupposes cutting six divisions, but not U.S.-NATO naval or tactical air forces. After the cuts, four divisions would remain for NATO purposes, presumably to cover one of the two sectors on the central front for which the United States now has direct responsibility. Basic data for the projections can be found in *The Armed Forces Planning Cost Handbook*, Washington: GPO, October 1979.

³⁰ With 3.9 percent and 4.9 percent, respectively, both France and Britain had, in fiscal year 1979, a larger percentage of GNP in defense spending than West Germany, with 3.3 percent. For fiscal year 1981, West Germany increased its defense budget by 6.2 percent, France by 17.9 percent. At the end of 1980, the German inflation rate, at 5.1 percent, was roughly half the French.

To say that Bonn spends a smaller proportion of its GNP on defense is not to say that it lacks impressive military forces. West Germany has 495,000 men under arms, and a well-trained reserve force of 750,000, meant to be capable of being mobilized within 72 hours. Within that period all combat units up to brigade level are to be combat ready. Bonn's military force probably seems more formidable when seen from Moscow than from Washington. See *The*

to head NATO. Certainly the reintegration of French space and arms into the military alliance, if this could be achieved, would in itself be worth several American divisions.

A second orienting principle follows from the first. In the end, transformation of the Alliance cannot be limited to its non-nuclear aspects. Soviet-American nuclear parity logically calls for a stronger independent European deterrent. The issue will be forced upon us in any event. Ground defense cannot be separated from control over tactical nuclear weapons. Distinctions between tactical and strategic nuclear weapons are inevitably breaking down in the European context. Since the days of the multilateral nuclear force, American attempts to give Europe more deterrence without more independence have been ingenious but unsuccessful. If we wish Europe to rely more on its own resources, we will have to be prepared for more powerful and independent European nuclear defense.

To be serious about transforming NATO, a third orienting principle would also be needed. The United States should stop using Europe's hesitations and divisions as a pretext for America's own inaction. European states are pluralist democracies. Public opinion is deeply divided over many issues, but no more so than in this country. Politicians out of power often take irresponsible positions, a defect not unknown on this side of the Atlantic. It should not be assumed, however, that Europe's major states could not reach working agreements on anything so relatively obvious as their own common defense against the Soviets. European political leadership, after all, is not notably less responsible than our own.

France and Germany form the necessary core of any European construction. They have learned to harmonize their efforts over a wide range of vexatious domestic economic concerns. They, along with the British, have large and efficient military forces, flourishing arms industries, and formidable military experience. Obviously the French, as well as the Germans and British, are loath to trade present arrangements giving them American-subsidized security for a more responsible, expensive, and constraining role in managing European defense. And Europe's smaller countries would prefer a distant and distracted America to the more active leadership of their own big neighbors. Under the circumstances,

Military Balance 1979-80, London: International Institute for Strategic Studies, p. 94; *1980-81*, p. 96; *Défense Nationale*, January 1981, p. 168; German military figures, courtesy of the German Information Center, N. Y.

for Washington to use evidence of disunity as an excuse for preserving the status quo is always plausible, and playing countries off against each other all too easy. But if we grow serious about reducing the cost of our NATO commitment, we must assume that Europe's big powers will act as responsible states and must ourselves not try to prevent them from doing so.

Increasingly, our choice is not a free one. Reflections on these Alliance questions cannot be separated from the pressures of our present economic predicament. Against the risks of change in NATO must be weighed the certain international deterioration implicit in a continuing American inflation. Reforming America's European commitment would, of course, be only a step toward curing America's inflation, not a panacea. But without some such major breakthrough in military spending, prospects for real improvement seem dim. The present frustration of America's domestic and foreign policy may be expected to continue, and transatlantic relations to grow ever more acrimonious.

IX

In conclusion, it may be useful to put both our European relations and our inflation in a broader historical context. Inflation not only permeates our political and economic system at home but, as has been discussed at length, has inextricably entwined itself with our policy abroad. Intuitively, many people see inflation as the manifestation of long-standing national hubris. This way of thinking grew popular in the late 1960s when the explosion of inflation and the agony of Vietnam were sensed as symptoms of a sort of national disequilibrium, of an ambition for leadership and benevolence grown extravagant and wanton.

In 1968, Americans elected an avowedly conservative government. The Nixon Administration spent its early years trying to restore economic balance at home while talking of a more realistic disposition of American power abroad. But it lacked the political strength, and perhaps the moral stamina, to persevere. It abandoned domestic economic restraint and used American power abroad to permit a seemingly painless inflation at home. In the face of growing Soviet power, it abandoned its halfhearted attempts to coax Europe into a new role and, instead, relied more and more exclusively on superpower détente. An adventitious and unstable supremacy in the Middle East underwrote a shameful delay in facing the energy crisis at home.

Seen in this historical perspective, Nixon and Kissinger's apparent foreign successes of the early 1960s take on a different look.

Their *pax Americana* appears less a firm restoration than a nostalgic fantasy. Worse, it represents a false turning and a missed opportunity. While the old predominance was superficially confirmed in Europe and extended to the Middle East, the United States lacked the resources to sustain its positions. This lack of resources to meet all domestic and foreign ambitions, in turn, led to an exploitation of the international economic system increasingly intolerable to our allies and of questionable benefit for the United States. Manipulating the international system became the substitute for painful adjustments at home. Instead of domestic strength being the foundation of overseas power, diplomacy subsidized domestic prosperity.

Sadly, the breakdown in American foreign policy can be traced not to a failure of America's long-range strategy, but to the failure to exploit its success. America's historic policy was to restore Europe, not to conquer it. By the 1970s, European power had, in fact, recovered to the point where the United States should have played its "European card" in the interests of a new world balance. Unhappily, at a critical historical moment, American statecraft proved unable to press its own historic policies to successful completion. Instead, it wandered into a cul-de-sac of unsustainable pretensions in the world and wanton inflation at home. Not until the external system began to unravel in the late 1970s was there much support for domestic regeneration. Thanks to Khomeini we had Volcker. But, as the past decade ought to have made clear, equilibrium will not return to our economy at home without a more realistic balance of power abroad.

Pierre Lellouche

EUROPE AND HER DEFENSE

Europeans enter the 1980s experiencing, for the first time since the cold war, a deep sense of concern—and even fear in some quarters—for the preservation of peace on their Continent. The decade began with speeches by European leaders, including President Giscard d’Estaing and Pope John Paul II, stressing the risks of a new world war, and polls conducted in several European countries throughout 1980 echoed similar qualms.

This concern is, of course, fueled by the rapid accumulation of crises over the past 18 months, all of which have had a direct impact on the security of Europe. The sad irony is that although Europe has had to endure this avalanche of events without having any control over them, the basic setting of European security has been drastically changed.

Paradoxically, while new realities call for urgent and drastic actions on the part of all responsible European governments, these same realities seem to enhance the inertia of these governments, so that they appear both unwilling and unable to take such actions. Up to now, most European governments have endured passively what is in effect the restructuring of their entire security framework. They have only been capable of pushing through policies which amount in practice to delaying tactics: the Warsaw and Moscow summits of last spring between the French President, German Chancellor Helmut Schmidt and Soviet leader Leonid Brezhnev have not succeeded in restoring East-West détente in the absence of détente between the superpowers; and the European Community’s “Venice initiative” of June 1980, calling for participation by the Palestine Liberation Organization in the settlement of the Arab-Israeli dispute, has yet to resolve Europe’s strategic problems in the Middle East. Moreover, the stagnation of defense programs and expenditures in most European countries (with the exception of France) illustrates a general reluctance to

Pierre Lellouche is head of the European Security Program at the Institut Français des Relations Internationales (IFRI), Paris. This essay is drawn, in part, from a wider study conducted by the author in the framework of the research program on “The New Dimensions of European Security” at IFRI. The study was published in *La Sécurité de l’Europe dans les Années 80*, ed. Pierre Lellouche, Paris: IFRI-Economica, December 1980.

face up to new threats of the 1980s.

The key questions for the Europeans—as well as for the West as a whole—remain to be faced and answered: How can the existing European security system adapt to the new political and strategic realities of the 1980s? What, specifically, can the Europeans themselves do for their own defense? And what would a modified European security arrangement imply for European defense co-operation as well as for the NATO alliance as a whole?

II

Today, amid great confusion, a new and more somber setting for European security is gradually emerging. The 1970s began with great hopes for a new era of détente between East and West and the promise of permanent stability in Europe. With the signing of the SALT I agreements in November 1972, nuclear war came to be seen as a mere theoretical possibility; the continuation of peace in Europe under a nuclear balance stabilized by arms control was now taken for granted. Few worried about European security, and, indeed, few in America worried about Europe as a whole. The Americans tended to concentrate on extricating themselves from their Vietnam quagmire and on building a new “structure of peace” with the Soviets. Meanwhile, the Europeans—and the West Germans in particular—felt freed from their obsession with security prevalent during the cold war years, and aimed at establishing their own détente relationship with the Soviets. It is typical of that period that Washington thought it necessary to launch a “Year of Europe” in 1973 to demonstrate to its allies America’s continued interest in and commitment to the Old Continent. Equally telling of the prevailing mood was that France’s main worries were not about security, but about the risk of a “superpower condominium” (détente being perceived as leading to “entente”), as well as about dangers of a renascent German nationalism in a Europe stabilized by détente.

Although many Europeans—including most governments on the Continent—would prefer to ignore them, it is now becoming clear that their defense in the 1980s will be shaped by the conjunction of three new realities.¹ First, the Soviet invasion of Afghanistan in December 1979 precipitated a major crisis between the superpowers that affected the overall climate of East-West relations. Although Europeans tried their best to reverse this

¹ The following discussion summarizes a much more detailed analysis published in Pierre Lellouche, ed., *La Sécurité de l'Europe dans les Années 80*, cited in author's note.

trend, the very existence of détente—a key political condition of European security since the late 1960s—was called into question. Moreover, the prospects for détente were further undermined in the summer of 1980 by the Polish crisis, the latter bringing the risk of another Soviet military intervention in Central Europe.

Politically, then, European security will have to be maintained during the 1980s within a new and potentially lasting phase of confrontation between the superpowers. Armed with renewed moral convictions and a resurgent nationalism, the United States in the 1980s will primarily aim at restoring its overall power in world affairs and containing Soviet expansion in the Third World. For its part, the Soviet Union, conscious of its newly acquired global military might but wary of its internal weaknesses, will be preoccupied with the constant consolidation and expansion of its empire rather than the requirements of a genuine détente relationship with the United States. Whether the Europeans like it or not, this state of affairs will directly affect East-West relations as a whole, and European-Soviet relations in particular.

Second, militarily and strategically, the basic conditions of European security have also been subjected to fundamental alterations. Ever since 1977–78 the Europeans have been increasingly preoccupied with the gradual shift of the overall military balance in Europe in favor of the U.S.S.R. and about the impact of this evolution on the credibility of the U.S. nuclear guarantee. In the aftermath of Afghanistan, they face the prospect of a new arms race between the superpowers. In the meantime, however, arms control has become in European eyes a key condition for stability on the Continent as well as a somewhat bizarre justification, in the domestic politics of most European countries, for continued defense efforts. This new phase of military competition between the superpowers also means a great deal of American pressure for increased European defense efforts, at the very time when the continued deterioration of the economic situation in Europe, coupled with the emergence of a new wave of pacifist and neutralist sentiment in several European countries, make such commitments even more difficult to fulfill.

The balance of forces in Europe will continue to favor the Soviet Union throughout most of the 1980s. Given overall parity on the central strategic level, the growing Soviet superiority in Europe—both in conventional and theater nuclear forces (TNF)—will further weaken the credibility of NATO's strategy of "flexible response." In effect, the European members of NATO will increasingly find themselves caught in a strategic bind wherein:

(1) their continued inferiority in conventional means will make them more and more vulnerable to a Soviet surprise attack with conventional forces; as a result, the Europeans will become increasingly dependent on first and early use of nuclear weapons by NATO;

(2) yet, at the same time, the newly acquired Soviet superiority in theater nuclear systems, as well as parity at the strategic level, will in effect neutralize any attempt by NATO to escalate the conflict to nuclear weapons.

It is only toward the end of the decade that the new defense programs now being launched or accelerated in the United States will begin to affect some of the components of the military balance—in particular, at the central strategic level. As to the conventional and theater nuclear imbalances in Europe, these will only be partially offset in the mid-1980s by NATO's Long-Term Defense Program and TNF modernization program—assuming, of course, that both programs are fully implemented.²

Finally, on a wider geostrategic scale, the invasion of Afghanistan, coming after the extension of Soviet influence into Ethiopia and Yemen, has changed the strategic map of the Persian Gulf region, from which Europe now receives about 60 percent of her oil imports. The resulting reinforcement of Western naval forces (essentially American and French) in the area has expanded East-West confrontation beyond the traditional European theater into a region which is itself extremely volatile and unstable. Local regimes, meanwhile, are either reluctant or fearful to see the Persian Gulf area transformed into a new theater for East-West competition. To use Raymond Aron's words, "the Middle East is a void, but a void which refuses to be filled."

The promulgation of the Carter Doctrine, proclaiming the Gulf a vital U.S. interest and threatening the use of force to preserve the oil flow, and the eruption of the Iraq-Iran war in 1980, coming after the second dramatic oil-price rise in the wake of the Islamic revolution in Iran the previous year, finally brought home to Europe the lesson which had been quickly forgotten after 1973—namely, that European security can no longer be geographically limited to the European theater alone. Although most European governments are reluctant to face this new reality, the fact remains that defending Europe in the 1980s will also mean protecting the raw materials and energy sources located in faraway regions—

² An analysis of NATO's Long-Term Defense Program (LTDP) and of the Theater Nuclear Force (TNF) modernization program are to be found in the contributions of Richard Burt, Coit Blacker and Farook Hussain to the aforementioned volume.

particularly in the Middle East and Africa—without which European democracies cannot survive.

Yet without adequate conventional means to back it up—the Rapid Deployment Force has yet to be turned into a credible instrument—the Carter Doctrine carries the risk of a very unpleasant alternative: either an early recourse to nuclear weapons which could then escalate into a major war in Europe and possibly between the superpowers, or a situation of “Cuba in reverse” whereby the United States, having decided not to escalate to nuclear weapons, would suffer a military defeat on the ground, leaving the area to Soviet control.

Americans and Europeans have reacted in profoundly different ways to the transformation of the security environment in Europe as well as in the Third World. While events in the Gulf region brought about a new “awakening” in America and a major shift toward a more assertive U.S. foreign policy, Europeans have tended to react with great caution, thereby triggering a growing irritation in the United States at what is perceived, at best, as selfishness on the part of its European allies, and at worst as proof that Europe is already sliding toward “self-neutralization” or “Finlandization.” So far neither side has come up with a coherent strategy to deal with the security equation of the 1980s. Instead, Americans and Europeans have tended to look for solutions belonging to the past.

Increasingly exasperated by the attitude of their European allies, more and more Americans are inclined to revive the old “Atlantic” system—in effect, to turn the clock back to the days of American nuclear superiority and absolute leadership in the Alliance. Hence, the temptation in many American quarters to try to strong-arm Europe and to threaten—in a new kind of “Mansfieldism”—to abandon her to her own fate.

For their part, most Europeans still yearn for a miraculous return to the “divine détente” of the 1970s, one which allowed them to enjoy at the same time the continued protection of the United States within the Alliance, and the “dividends” of European détente with their Eastern neighbors. Other Europeans—though a minority—still dream of a European Defense Community which would give a united Europe the means of its own defense and a new role in world affairs. In fact, neither the old Atlantic concept nor the notion of a European Defense Community corresponds to the political realities of both the Alliance and Western Europe today. Neither can provide the basis for realistic options for the future.

III

The magnitude of the transatlantic crisis triggered by the Afghan affair makes clear the structural transformations which have taken place in the Alliance over the past decade and a half.³ Yet the current transatlantic crisis was already evident well before Afghanistan; it is enough to recall the various quarrels of the 1970s involving the October 1973 War, economic policy and energy, nuclear nonproliferation issues, the Middle East and the Camp David process, the "neutron bomb" episode, and so forth. The longer historical record had shown that the Alliance did tend to unite in cases where the threat was really serious, e.g., the crises of Cuba and Berlin in the 1960s. But it was precisely this element of cohesion—imposed from the outside—which was missing in 1979–80, despite the gravity of Soviet behavior.

To be sure, several short-term factors did play a role in fueling quarrels within the Alliance. The lack of an adequate mechanism for Alliance consultation on crises arising outside NATO's boundaries was one of them. Similarly, the record of the Carter Administration—widely perceived in Europe as one of "zigzagging," as well as the lack of more than rhetorical American reaction to earlier Soviet and Cuban interventions in Third World areas—led many Europeans to believe that the U.S. reaction to Afghanistan would only be a short-lived sign of displeasure (due in part to the presidential campaign), soon to be followed by the "normal" pursuit of superpower dialogue.

More important, perhaps, the differences in attitudes throughout most of 1980 reflected a basic failure on the part of most Europeans to comprehend the magnitude of the shift which has been taking place in America over the past three to four years and which found its final resolution in the conjunction of the Iranian hostage crisis with the Afghan affair. For several months after Afghanistan, most European observers, including officials at the highest levels of government, were still convinced that the United States would go back to "business as usual" with the Soviets. Indeed, some went so far as to predict a "new Yalta" between the superpowers over the Persian Gulf. It was only with the November landslide which brought Ronald Reagan to the White House and a Republican majority to the Senate that Europe as a whole began to realize that she is now faced with a tougher, more

³ The transatlantic crisis is analyzed in depth in Karl Kaiser, Winston Lord, Thierry de Montbrial and David Watt, *Western Security: What has changed? What should be done?*, New York: Council on Foreign Relations, Inc., February 1981. See also Dominique Moisi, "Les Nouveaux Malentendus Transatlantiques," in Lellouche, *op. cit.*

nationalistic and assertive America.

Yet these problems of communication and the resulting misunderstandings fail to explain the magnitude of the transatlantic split. It would be wrong to assume that once the international situation quiets down a little, and the new American Administration shows more coherence and leadership, the Europeans will simply "fall into line" and the Alliance will go on "as usual." In fact, the roots of the transatlantic crisis are to be found in two complementary historical trends going all the way back to the 1960s: the relative decline of U.S. power vis-à-vis both the Soviet Union and the European allies; and the gradual emergence of West Germany as a new pole of power in East-West relations in a Europe that has become—to use Fritz Stern's words—"semi-Gaullist."⁴

One area where this transformation has been visible for some time is economics: here the quarrels of the 1970s on economic policy (the "locomotive" theory urging Germany and Japan to stimulate their economies in a recession), the creation of the European Monetary System, and the controversy about nuclear energy and nonproliferation, all point to a new situation in which Europe has become as rich and as competitive as the United States and is now able to defend her own interests (as in the case of monetary or nuclear energy policies) against the wishes of the United States.

A much more complex and perhaps less visible evolution has been taking place in the political and security area. The main transformation here involves the area of East-West relations, or rather, the way Soviet-American and Soviet-European relations have gradually diverged during the 1970s. What is at stake here is a fundamental divergence between the respective commitments of Americans and Europeans to the process of détente.

For the United States, détente was a parenthesis in its history. As Robert Tucker has rightly pointed out,⁵ détente was for the United States a much less costly way to deal with the Soviet Union than the earlier policy of containment: it justified a drastic decrease in U.S. military spending throughout most of the 1970s and allowed the United States, in effect, to renounce unilaterally the use of force in its foreign policy. In substance, therefore, détente was heavily based on military components (especially

⁴ See Fritz Stern, "Germany in a Semi-Gaullist Europe," *Foreign Affairs*, Spring 1980, pp. 867–86.

⁵ See Robert W. Tucker, "America in Decline: The Foreign Policy of 'Maturity'," *Foreign Affairs*, "America and the World 1979," pp. 449–84.

arms control), with little else in terms of trade or human relations. Once the Americans gradually realized the magnitude of the shift in the military balance and as they became increasingly disappointed by the actual security benefits produced by the arms control process, the American pendulum gradually moved away from détente and back toward a more traditional form of power politics.

For the Europeans, however, and in particular for the Germans, the experience of détente did not—and indeed could not—parallel that of the United States. From the very beginning, détente in Europe has meant a very concrete, day-to-day set of human and economic relationships. It means the stabilization of the territorial status quo on the Continent and the continued safety of Berlin. Economically, it translates into an important market for European industrial goods and much-needed access to a new source of raw materials and energy. Détente should also permit the stabilization of defense efforts at modest levels (between two and three percent of the gross national product of most European nations). On a wider political level, détente has allowed the Europeans to enjoy more freedom of maneuver and has provided a convenient setting in which Europe can safely assert her own identity against the leader of the Alliance.

There are, however, three inherent problems in such a situation: the first is that, in politics, when commitments become too great, they also tend to turn into vulnerabilities; there comes a stage where it becomes politically (or economically) too costly to abandon one's commitment, even if the other side has blatantly broken the rules of the game. Clearly, in the case of Afghanistan, Europeans were reluctant to give up the "dividends of détente," even if that meant accepting the Soviet notion of the divisibility of détente. The question thus becomes: Where does one draw the line? Would Poland be worth the price of détente? After all, if détente was divisible in the case of a nonaligned country subjected to direct aggression by the Soviet Union, why would it be less so in the case of a country which is recognized as an integral part of the Soviet empire?

The second problem is that the Western democracies have tended to be blinded by the short-term benefits of détente, and thus ended up forgetting that détente can only be based on a stable balance of forces. An unequal military balance can only produce an unequal political relationship. European countries have viewed détente and its corollary in the security area—i.e., arms control—as a convenient substitute for a continued defense

effort. Indeed, as the Europeans' dependence on détente steadily increased over the past decade, their awareness of the central importance of the military balance declined proportionately, as did their willingness to incur the political and economic costs necessary to their defense policies. The danger here is that while the importance of détente in European politics has grown, détente has come to be based on an increasingly unfavorable military balance.

This danger is compounded by the fact that European security remains dependent on U.S. protection. This is where the gap between the respective commitments of the United States and Europe to détente produces the greatest problems. For there will come a time when Europe's commitment to détente may come into conflict with her commitment to the Alliance. Indeed, this is a point which the Soviet Union continuously presses upon the Europeans in its effort to decouple Europe from the United States politically as well as militarily.

Among all European countries, West Germany is certainly the one which is—given its partition and its location on the borders of the Soviet empire—the most committed to détente. It is also the one which has benefited most from what have been called the “dividends” of détente. Ostpolitik gave Germany the political dimension that the Federal Republic was lacking up until the 1970s: it permitted Germany's international recognition, and above all it turned the Federal Republic into the center of gravity of East-West relations in Europe. In the process, the United States (and, to a lesser degree, France) in many respects lost the initiative in dealings with the East. The Soviets in turn won a precious “advocate” within NATO as well as the means to push forward their policy of decoupling “European détente” from U.S.-Soviet relations. For the Germans, the “dividends” of détente were clearly translated into human terms (with the return of 200,000 ethnic Germans) and in economic benefits (the Federal Republic alone represents about 45 to 50 percent of Western trade with the East). Détente has also allowed Germany to enjoy more freedom of maneuver diplomatically and to assert its own independence and interests against the United States.

But, as noted earlier, such a great commitment also means great vulnerabilities. These have been plainly demonstrated in Bonn's reluctance to join the United States in imposing economic sanctions on the U.S.S.R. after Afghanistan. In fact, it remains to be seen whether a durable German commitment to such sanctions could be obtained even in the case of a Soviet invasion of Poland.

There are also political vulnerabilities. In the aftermath of Afghanistan, Germany did demonstrate its solidarity with Washington by boycotting the Moscow Olympics. Yet this gesture was largely offset by Chancellor Schmidt's trip to Moscow in June 1980.

The main vulnerabilities lie, of course, in the security area. This is where Germany is most dependent both on the Soviet Union, as the potential aggressor, and on the United States, as its ultimate protector. Here, the neutron bomb episode, and the laborious intra-Alliance negotiating process which led to the TNF decision in December 1979 to deploy intermediate-range nuclear missiles on German soil, illustrate Germany's fundamental dilemmas in an era of détente. The TNF decision also deserves a particular reference here because it accurately reflects the structural transformation that has taken place in the Alliance as a whole.

Ironically, Germany was the first European NATO country to raise the TNF issue in 1977, because of the wider implications of strategic nuclear parity for the continued validity of NATO's strategy of flexible response. Yet after having pressed for a remedy to the growing imbalance of forces at the theater nuclear level, the Germans soon found themselves caught between conflicting pressures from the United States and the U.S.S.R. The former demanded that the Europeans favoring a TNF program say so publicly; the latter threatened that any deployment of new, longer range nuclear missiles on European territory would be tantamount to ending détente and starting a new arms race. As a result, Germany found itself entrusted with a major decision-making power on nuclear issues which it could not possibly use without risking a breakdown of its relationships with the East.

In essence, the "solution" consisted for Germany in *not* deciding: Bonn announced a series of conditions for the deployment of the new TNF systems, including the so-called no-singularity provision, whereby Germany would deploy such weapons only if at least one other *continental* European nation also accepted the weapons on its territory. Another important condition was that deployment be linked to parallel arms control negotiations between the United States and the Soviet Union on the same systems. The end result of the TNF diplomatic ballet was twofold: the whole program became suspended in the domestic politics of Belgium, Holland and Italy, none of which is exactly enthusiastic about TNF; and in the absence of a ratified SALT II treaty, and therefore in the absence of any SALT III talks, a special negotiating forum had to be convened in order to satisfy the domestic political requirements of

the European countries involved. After much hesitation in view of the post-Afghanistan situation, the Carter Administration did open the TNF talks last October in Geneva simply to save the program. The final irony of this peculiar exercise in Kafkaesque diplomacy is that no one in the West has any serious idea what weapons are to be considered in the negotiations or what the negotiating objectives should be.

One thing is clear, however: the very fact that the negotiations did open was a major victory for the Soviets. Their vast superiority in intermediate-range systems will allow them to negotiate from a position of strength;⁶ the negotiations give them precious leverage to influence European public opinion and to delay the deployment of NATO's systems when the weapons are produced (1983-84); and, finally, if Soviet insistence on including in the negotiations the U.S. forward-based systems in Europe is accepted, the Soviets will have achieved a major breakthrough which they have been seeking from the very beginning of the SALT process in the late 1960s. With this background, the opening of the TNF talks has less to do with genuine arms control than with a short-term political expedient to try to resolve NATO's own internal political dilemmas. Given Soviet superiority in theater nuclear weapons, and Moscow's growing influence on European public opinion, the talks now carry heavy security risks for the Alliance as a whole.

IV

The gradual weakening of the Atlantic system does not imply that Europe has reached a stage where she is politically ready to take charge of her security. Indeed, one can even speak of a regression here, to the extent that in the late 1950s and early 1960s when Europe had her first doubts about the credibility of the U.S. guarantee, her natural reaction was to look for a European substitute, either by developing an independent nuclear capability (e.g., France) or broader European defense cooperation (e.g., the French-German talks between 1958 and 1963 and the 1962 Fouchet Plan proposing political and defense cooperation in

⁶ See *The Military Balance, 1980-81*, London: International Institute for Strategic Studies, 1980, pp. 116-117. The imbalance is particularly evident at the level of long-range theater missiles based in Europe, such as the Soviet SS-20s and NATO's cruise missiles and Pershing IIs, a category of weapons which will presumably be a key component of the TNF talks. At the present rate of deployment of the SS-20 (between 60 and 100 per year) and given existing deployments, the Soviet Union will possess by the end of 1983 (at which date NATO's TNF will *begin* to be deployed) between 340 and 460 such missiles, each armed with three warheads. (This would mean between 1,020 and 1,380 warheads, as against NATO's 108 Pershings and 464 cruise missiles.)

Europe).⁷ Today, while each of the countries in question has gone through a major defense debate at one stage or another since 1978–79, this has not led to any serious attempt at developing intra-European defense cooperation as a means to fill the gaps left by the declining validity of the American security guarantee.⁸

Instead—and this is what is really worrisome about the current mood in Europe—each of these governments reacted separately in trying to preserve the status quo ante in the face of growing Soviet pressures and a new wave of pacifist sentiment throughout the Continent. While some governments, particularly in the smaller NATO countries, simply decided to cut down on their defense efforts, most Europeans tended to push forward with arms control initiatives (as in the case of TNF and confidence-building measures in Europe) in the hope that such negotiations would somehow reverse the adverse trends in the military balance, keep the dialogue alive with the Soviet Union, and facilitate domestic political support for the minimum defense policies compatible with their continued commitment to the Alliance.

In this context, virtually no political capital was invested in developing European defense cooperation. To be sure, a minority of Europeans continue to dream of a hypothetical “third way” whereby a United Europe would take charge of her own defense. Similarly, the idea of possible Franco-German or Franco-British nuclear cooperation did surface at various times throughout the 1970s in several European countries. In practice, however, very little has been accomplished in that direction. To take the most recent episode, Great Britain, which had to decide upon the modernization of its deterrent force, never seriously considered “the French option”: for a variety of political and financial reasons, the new French M-4 submarine-launched ballistic missile was never a serious contender with the American Trident system which the British finally selected.

As for Germany, while officially strongly committed to the French-German entente, it remains totally opposed to any kind of military nuclear cooperation with France. The issue arose in the summer of 1979 when two French Gaullists, General Georges Buis and Alexandre Sanguinetti, launched a trial balloon proposing such cooperation. Although the proposal itself carried little political weight on the French side, the German government took great

⁷ See Wilfrid L. Kohl, *French Nuclear Diplomacy*, Princeton: Princeton University Press, 1971, chapters 2 and 7.

⁸ See Pierre Hassner, “Europe and the Contradictions in American Policy,” in Richard Rosecrance, ed., *America as an Ordinary Country*, Ithaca: Cornell University Press, 1976.

pains to reject it officially. More than ever, the Federal Republic holds to its non-nuclear status, which has become one of the cornerstones of Germany's relationship with the East. Moreover, ever since the late 1950s and early 1960s, when similar approaches were made by the French, Germany has done its best to avoid being put into a position where it has to choose between America and France for its protection.

Interestingly enough, the most positive evolution toward the idea of European defense cooperation is to be found in France. Until recently, the French enjoyed a very comfortable position indeed. The U.S. nuclear guarantee and NATO protected France's neighbors without infringing on France's independence. And France could capitalize on its national deterrent to establish itself as a major world actor, and indeed as a kind of arbitrator between the blocs. The German problem—France's traditional obsession—was solved, though not quite as the Gaullists would have liked it to be: for in the early 1960s the Germans had rejected General de Gaulle's proposal for forming France and Germany into the nucleus of an independent Europe outside NATO. Yet the Federal Republic's presence within the Alliance was still a convenient way to ensure the continued security, and therefore the stability, of a divided Germany.

The situation began to change in the late 1970s: the United States was no longer the dominant power, and the credibility of the U.S. nuclear guarantee was now in doubt throughout Europe. The neutron bomb episode and the TNF debate provoked in France the sudden realization that Germany, too, was having its own "Gaullist" doubts about the United States. And, in French logic, a Germany that feels insecure means an unstable Germany and hence an unstable Europe. It also means that such a Germany would be tempted to solve its own security problem by purely German solutions: either by going nuclear, or more likely, given the situation in Europe, by looking for a separate accommodation with the Soviet Union. Obviously, neither outcome would be favorable to France.

It is therefore no accident that France's nuclear strategy, while still formally committed to the doctrine of independence as defined under de Gaulle, has evolved considerably during President Giscard d'Estaing's term in office. The evolution began in 1976 with the announcement of a new concept of an "enlarged sanctuary" and "forward battle." It was confirmed recently by repeated official statements—including those from the President himself—to the effect that France's security is now inseparable

from the security of her European neighbors, and of Germany in particular. The purely "national" deterrent concept in force a decade ago has thus been replaced by a wider posture which now takes into account the European theater as a whole.

In practice, however, the evolution of French thinking about European security has so far failed to be translated into meaningful actions, let alone into a full-fledged diplomatic initiative. Given strong domestic resistance from both the Gaullists and the communists, who are prompt to denounce any evolution of France's defense policy as "Atlanticism," Giscard's treatment of the European defense issue remains extremely cautious. France chose, for example, not to take sides in the TNF debate, although Giscard's support could surely have helped Helmut Schmidt in coping with the left wing of his socialist party. Instead, theater nuclear weapons were treated officially as "NATO business." At the same time, however, France did announce an ambitious program of modernization of her own nuclear forces and let it be known—unofficially—that she was supporting a similar modernization on the part of her NATO allies. Similarly, while French officials stress the inherent link between France's security and European security, they also take great pains to remain as vague as possible when it comes to defining the actual contribution of French forces, including nuclear forces, to the security of the Continent.

This general inertia and inability on the part of key European nations to move toward greater cooperation in the security area reflects the continued divisions and basic differences of interest among the various Europeans on the global political plane. In fact, despite some progress in European political cooperation, and despite the French-German entente under Giscard and Schmidt, intra-European divisions have increased in recent years. The enlargement of the European Community has produced the dilution of the Community into what is becoming a free-trade area. The gap is widening between the largest members of the Community and the smaller states: increasingly, serious political business is treated on a bilateral basis between France, Germany and the United Kingdom with little involvement of the smaller members of the Community. And when the Community as a whole takes a political stand—as in the case of the June 1980 Venice initiative on the Middle East—the latter tends to be limited to words in the absence of appropriate means (i.e., political and military leverage) to carry it through.

Even the French-German entente, which is often cited as the one example of progress toward European unity, is flawed by

basic ambiguities and conflicting interests. To the French, who have in fact never given up on the Gaullist idea of "de-NATO-izing" Germany, the alliance with the Federal Republic is the first step toward building a new Europe, one that can "assert its own voice in world affairs." But, in the French view, this new Europe would not aim at reunifying Germany; in that sense, most French leaders continue to share the basic Gaullist concept that France and the U.S.S.R. are somehow "natural" allies when it comes to keeping Germany divided.

To the Germans, the objective is to preserve the status quo both with the NATO Alliance and with the East. The alliance with France therefore serves two useful purposes: first, it helps to bring France closer to the Alliance; second, it allows Germany more diplomatic leeway in dealings with Washington, particularly when it comes to protecting Ostpolitik and the Federal Republic's commitments to European détente. This "French card" was particularly useful in the aftermath of Afghanistan: the Paris communiqué of February 1980 helped shelter Germany from American pressures, and President Giscard d'Estaing's trip to Warsaw in May paved the way for Chancellor Schmidt's own visit to Moscow the following month.

Ambiguities of this magnitude are bound to lead to strains. Indeed, as events have unfolded since last spring, basic divergencies between Paris and Bonn gradually developed. While France stiffened its attitude toward Moscow following the failure of the Warsaw meeting and the threat of another Soviet action in Poland, Germany still persisted in wanting to save European détente and was hesitant to envisage serious sanctions in the case of an invasion of Poland. Moreover, whereas France considerably increased her naval presence in the Indian Ocean and announced an ambitious program of modernization of her defense with a corresponding increase of her military expenditures, Germany categorically refused to envisage a military role for itself beyond NATO's boundaries, was still hesitant about the TNF program, and failed to reach the three-percent target set by NATO for annual increases of defense expenditures. By the end of 1980, the French-German entente began to show, for the first time, visible cracks.

The irony of this situation is that France, which used to be considered the "black sheep" of the Alliance, is now the one European nation that shows the greatest readiness to safeguard her security in the face of new threats arising both in Europe and in the Third World. The situation is now exactly the reverse of what it was during the 1960s. France is now objectively, if not

officially, closer to the Reagan Administration than any other European nation in facing up to the new realities of the international security environment.

v

Although the need for an urgent and fundamental restructuring of the European security system is clear, it is equally obvious that the choices before us are few and rather poor. Given the realities of both the NATO Alliance and of Europe today, neither the return to the old Atlantic system nor the establishment of a hypothetical European Defense Community are realistic options for maintaining European security in the 1980s. However tempting the nostalgia for the 1960s, the United States can neither restore the absolute nuclear superiority it once enjoyed nor reestablish its dominant leadership over Europe. Given its present internal contradictions, however, the Alliance can hardly be expected to last for another 30 years without either a major breakdown or a major transformation. On the other hand, in the absence of political will among key European nations to take their security into their own hands, it is hard to see how an autonomous European security entity could be established, even in the very long term.

In essence, the only realistic option for preserving European defense in the 1980s will have to be of a hybrid nature, one that accurately reflects the historical stage at which Europe now finds itself, namely halfway between a much weakened Atlantic system and a still embryonic European framework.

The recognition of this fact points to a necessarily pragmatic, if not modest, approach aimed at achieving realistic objectives. Such an approach assumes that Americans and Europeans alike abandon their traditional tendency to think of the Alliance and of European defense cooperation in mutually exclusive terms. For far too long now, the Americans as well as most Europeans have refused to envisage any European alternative to NATO. This worked as a convenient justification for the continuation of both the U.S. dominance over the allies and the passivity of most European nations in ensuring their own security. The opposite tendency was for some Europeans (the French, in particular) to consider that Europe could only exist if she gave herself the means to protect her own security outside NATO. In effect, this logically sound but unrealistic approach served as an equally convenient justification for the general inertia that has characterized European defense cooperation since 1954.

Today, our objective should be to reconcile the Alliance with a genuine effort toward European defense cooperation. Gradually improving defense cooperation among the key European nations, *in parallel to NATO*, would:

(1) encourage a greater European contribution and responsibility in the defense of the Continent;

(2) compensate for the decline of the credibility of the U.S. guarantee afforded within NATO; and

(3) allow American resources and personnel necessary for the protection of vital Western interests to be used beyond NATO's territorial boundaries, as well as gradually open the way for a wider European military role in these regions.

To do these things would not require any new institution or an impracticable and risky renegotiation of the 1949 NATO treaty. Nor would it imply for the European nations involved the establishment of a specific regional body, let alone a supranational one. Instead, the objective should be to work upon—and, in effect, to enhance—the basic complementarity which already exists both at the Alliance level and in Europe between the various components of the overall Western deterrent force. Here, the precedent of the 1962 Fouchet Plan, which called for gradual political as well as defense cooperation among European states, serves as a useful model. Although the plan was rejected at the time as insufficiently “European,” the basic approach of the proposal, namely, that of an evolving cooperation among states, was later proven right and even embedded in the evolution of European institutions and policies.

Militarily, the objective of a cooperative defense effort among the major European powers would be to remedy the most urgent weaknesses in the Alliance deterrent posture resulting from the growing inferiority of Western conventional forces on the Continent and the declining credibility of NATO's first use of nuclear weapons.

Such weaknesses could have the gravest military implications, should the Soviets decide, especially during a crisis, to resort to the “conventional option.” This situation also carries heavy political risks, as the Soviets will certainly try to translate their local military superiority in Europe into political gains, thereby achieving in the long run the “victory” for which they are really aiming, namely the political control of Western Europe *without* resort to war.

Such a situation demands that the Europeans urgently undertake a dual effort—going well beyond NATO's current plans—

aimed at raising the nuclear threshold through reinforcing conventional capabilities, and achieving the means and defining the doctrine necessary to restore the credibility of the first use of nuclear weapons.

This dual effort would be based on the idea of reinforcing the operational and structural complementarity among the forces of the three major European countries, namely France, the United Kingdom and the Federal Republic of Germany. Although lack of space prevents going into many details, the basic guidelines for such an effort can be proposed.

With respect to *conventional forces*, the Europeans will have to face an increasingly unfavorable situation given (1) the growing Soviet capacity to launch a surprise attack, and (2) the tendency on the part of the United States to move forces and equipment out of Europe for contingencies arising in Third World regions (in particular, the Persian Gulf area). Improving the conventional military balance between East and West will imply, at the outset, that a number of financial, and therefore political, choices have to be made. For such an effort will require either a major increase of defense expenditures well beyond the two to three percent of the gross national product now devoted by the Europeans to their defense, or the rationalization of the various national programs now undertaken separately.

Given the economic, social and domestic political constraints at work in most European countries, a drastic increase of European defense budgets seems unrealistic. This means that one has to do better with what one already has. And here much could be done in terms of rationalizing arms procurement policies among the key European countries. In fact, intra-European cooperation in this area is already well on its way, particularly between France and Germany, and in some instances between France and the United Kingdom. A rationalization of weapons-production programs among these three nations could be further developed in spite of the complex technological and economic obstacles involved. Such a rationalization would avoid the dispersion of scarce resources and lead to better weapons at a lower unit price.

Going beyond the issue of arms-procurement policies, the main effort of rationalization should involve the overall conception of the defense forces of the three countries. The objective here should be to establish a "division of labor" among the three national defense forces. To a large extent, this specialization already exists: the Bundeswehr is the strongest conventional European army today, whereas France and Britain are, preeminently, nuclear

powers. In the future, this specialization should be reinforced by turning it into an effective complementarity both at the operational and financial level. Indeed, Britain and France already face increasing financial difficulties in financing simultaneously the modernization of their nuclear arsenals *and* that of their conventional forces (in the case of France, one should add the financing of special intervention forces earmarked for Third World areas). Rather than “sprinkling” scarce resources in too many directions, both countries should opt for more limited but better equipped conventional forces than is presently the case with the British Army of the Rhine and the First French Army. In so doing, additional resources would be available for both the essential modernization of the two European nuclear forces and the creation or reinforcement of mobile intervention forces.

With respect to *nuclear weapons*, it is clear that both the French and British forces will be called upon to play an increasingly important role in the necessary restructuring of the Alliance nuclear posture. Indeed, this process has to some extent already started.

As long as the U.S. nuclear guarantee was seen as clearly protecting the non-nuclear members of the Alliance, the two European nuclear forces had only a marginal—if not insignificant—role in the overall deterrent posture of the Alliance. France—and to a lesser extent Britain—could therefore enjoy the political benefits stemming from their nuclear status without undertaking any direct responsibility in the defense of the Continent as a whole. Today the situation has changed. The gradual decline in the credibility of the U.S. nuclear guarantee during the past decade has propelled both the French and British forces into an increasingly important European role although, ironically, neither the French nor the British really desired such a role.

In practice, the contribution of both European nuclear forces to the defense of the Continent—which is already recognized in NATO’s Ottawa Declaration of 1974—will continue to grow as the French and British arsenals are modernized. The development on the French side of MIRVed M-4 submarine-launched ballistic missiles (SLBMs) beginning in 1985, as well as of Trident SLBMs equipped with “Chevaline” warheads on the British side, will give both countries a deterrent power capable of protecting much more than their respective territories.

In the future, one of the key objectives of European defense cooperation should be to accelerate this evolution by broadening the deterrent effect of both forces to include explicitly the Euro-

pean theater as a whole. In practice, this would be achieved by entrusting both European nuclear forces with the essential task of triggering nuclear escalation in the event of Soviet aggression on the Continent. To the extent that the Soviets may have doubts as to the readiness of the United States to resort to the first use of nuclear weapons for the defense of Europe, such doubts will not be possible if the Europeans commit themselves and have the capability of triggering this first use for the defense of *their* Continent.

When added to the existing American guarantee, this broadening of the deterrent role of the French and British nuclear forces to Germany and to the whole of Western Europe would bring two major advantages: first, the present decline of the credibility of the American guarantee would be compensated for, and, second, the coupling of European defense with the U.S. central systems, far from being diminished, would in fact be reinforced.

To be sure, implementing such a scheme presupposes the solution of many intra-European problems mentioned earlier. It also implies that the threat of French and British nuclear first use must be credible to the Soviets politically as well as militarily. In turn, this calls for an increase in the nuclear capabilities of both France and Britain, as well as for a certain visibility of the new deterrent posture. Such a visibility could be achieved by the deployment in West Germany of French and British intermediate-range systems.⁹ This European arrangement, which would function in parallel with NATO, would in the longer run be reinforced by a series of bilateral "double-key" agreements between Paris and Bonn as well as between London and Bonn, and possibly by the definition of joint targeting plans.

VI

The guidelines set forth in the preceding section are no doubt imperfect. Many will view them as too ambitious and unrealistic; others will find them too modest and insufficient to resolve European security issues in the 1980s. As such, however, they illustrate the immense complexity of the problems now facing us. In the absence of a purely "Atlantic" solution or of an alternate European one, Europeans are condemned to a pragmatic and difficult route. But it is one that can preserve both the Alliance, despite its internal contradictions, and the long-term chances of

⁹ These could involve, for example, Mirage IV, Mirage 200 and Vulcan bombers, as well as British ground-launched cruise missiles and the new French generation of mobile MRBMs.

meaningful European defense cooperation.

There is, however, one other route open to the Europeans, one that is surely more convenient, at least in the short run, and requires considerably less effort. This is the route of inertia, which has been followed by most European governments over the past 18 months, notwithstanding the drastic transformation which has taken place in the international security environment.

Such a path carries three sets of potential dangers: those involving European relations with the United States, with the Soviet Union, and among the Europeans themselves.

In the first instance, it is clear that the Europeans cannot hope to maintain the attitude they have adopted since Afghanistan without risking a major crisis in—and a possible breakdown of—the transatlantic relationship. The Europeans cannot simultaneously try to pursue *détente* with the Soviets as if nothing had happened—and therefore decouple themselves politically from the Americans—and demand that the military coupling be maintained “as usual.” The ultimate price to be paid by the Europeans for keeping the “dividends of *détente*” may therefore have to be the dissolution of the Atlantic Alliance itself.

Toward the Soviet Union, the present European attitude, which consists of accepting in practice the Soviet notion of the divisibility of *détente*, is equally dangerous. As the “dividends” of *détente* turn into paralyzing vulnerabilities, the European obsession with preserving *their* peace may well lead in the long run to the end of “Western” Europe as an independent entity.

Finally, a third set of dangers threatens the Europeans themselves. These are perhaps the most likely and the most damaging for Europe as a whole. In view of Europe’s deep internal divisions and given the absence of an all-powerful American leader, or of a substitute European directorate, there is a real danger that each European country will gradually be led to look for its own solutions to its security problems. Some would doubtless choose to return to the American strategic shelter; others would look for an accommodation with Moscow; and still others would entrench themselves behind an exclusively national nuclear deterrent. In the end, Europe as a whole would fall victim to such a “Balkanization” process, which is already visible in certain countries.

VII

Above and beyond all the political and strategic problems which are threatening the security of the Continent, the fundamental question is whether the Europeans still want to exist with

their own culture and civilization in a rapidly changing and dangerous world. Or, conversely, whether they simply want to watch history pass by with the sole ambition of preserving *their* peace and *their* material well-being at any cost.

However strong the temptation to do so, it would be illusory for some Europeans—or all Europeans—to believe that they can become a “large Switzerland,” rich, neutral and protected from the dangers of the outside world. For if Switzerland, or indeed Finland, or Austria, exists as such today, it is because other Europeans have shown the will to exist as independent nations ready to defend themselves. And although it has become fashionable to use such terms, there will not be in Europe any general “Finlandization” or “Euro-neutralization”: for there is, in the final analysis, no middle way between defense and enslavement.

Josef Joffe

EUROPEAN-AMERICAN RELATIONS: THE ENDURING CRISIS

More than a year after the Soviet invasion of Afghanistan, the West is still laboring under a vexing paradox. By comparison with earlier police actions in East Germany, Hungary and Czechoslovakia, the vaunted military machine of the Soviet Union has not fared well in the attempt to "pacify" all of Afghanistan. Yet while unable to impose control over a ragtag army of underequipped, quarreling mountain tribesmen, the Soviet Union has scored two staggering diplomatic victories: it has succeeded in splitting the Islamic world and in accelerating the continental drift between Europe and America. Instead of infusing the West with a new unity of purpose, as might have been expected, the crisis over Afghanistan has left a legacy of confusion, distrust and resentment which, in retrospect, turns the many disputes of the past into minor family squabbles.

II

There are many who would challenge this somber assessment. What about Suez and Berlin in the 1950s, what about the Gaullist offensive, the demise of the Multilateral Force and the pressure to adhere to the Non-Proliferation Treaty in the 1960s? Or Vietnam in the early 1970s? True, the history of the Alliance is the history of dissension and diverging interests. True, from Suez to Southeast Asia, Europeans and Americans have never been able to close ranks in the face of crises outside the pale of the North Atlantic Treaty. Yet—so we are assured—the shock waves were always contained, and somehow the Alliance has always managed to transcend adversity. Indeed, it now shines forth as the most enduring defense compact of free nations in modern times. According to the counsel of conventional realism, then, the past was not as serene as we remember, and the present is not as bleak as we pretend. *Plus ça change. . .*

The comfortable view of postwar history rests on the belief that the fundamentals have not changed. The Alliance was, after all, conceived as a bulwark against the overweening power of the

Josef Joffe is a senior editor at the West German weekly *Die Zeit*.

Soviet Union, and nothing that has happened since—the rise of Europe, the relative decline of the United States, the new threat to our energy supplies—has really eroded its key foundation: the common perception of a European security deficit which could only be balanced by the United States. Hence the crises may come and go, but the tie will hold.

After Afghanistan, this premise of an overriding transatlantic security interest is no longer self-evident. Throughout the first three decades of the defense relationship, societies on either side of the ocean were indeed tied together by the conviction that the Soviet Union, by virtue of its power and ideology, represented the prime threat to the independence of Western democracies. Domestically, this consensus spanned almost the entire political spectrum—from the conservative Right to the democratic Left. In foreign policy, it served to defuse the most vociferous disputes between the allies. After torpedoing the European Defense Community in 1954, the French returned quickly to the Atlantic fold because, in the end, their fear of the Soviet Union weighed more heavily in the scales than their fear of a resurgent (and rearmed) half-Germany. During the Suez Crisis in 1956 the United States humiliated its two oldest allies, France and England, yet the Alliance held because President Eisenhower was merely applying pressure while Soviet leader Nikita Khrushchev was rattling his nuclear rockets at the same time that he was crushing the Hungarian revolution.

Things have changed. There are sizable (even if not dominant) groups in the democratic European Left, stretching from the Labour Party in England via the German Social Democratic Party (SPD) to the Italian Socialist Party (PSI), whose traditional pacifist instincts have now combined with increasing resentment of American fealty demands in the wake of the triple crises in Iran, Afghanistan and Poland. Yet—and this is a crucial transformation—the Left stands by no means alone. Support for détente-minded “realism” and distrust of American designs extends deeply into the “bourgeois” camp: from the left wing of the Free Democrats in Germany to the Christian parties in the Benelux countries and the center groups in Scandinavia. And whether a Christian Democrat/Christian Socialist government in Bonn would actually conduct a very different Ostpolitik once it acceded to power is at least open to question. In foreign policy, then, the traditional ideological chasms between Left and Right are narrowing; the two camps are drawing together on the joint platform of “Little Europe” nationalism and resistance to American leadership.

Nothing could dramatize the difference between the 1960s and the 1980s more vividly than Europe's responses to the Cuban missile crisis and the invasion of Afghanistan. In 1962, relations among Bonn, Paris and Washington were anything but harmonious: General de Gaulle's challenge to American "hegemony" had already blossomed into a full-scale offensive. And in the aftermath of the Berlin Wall (1961), Chancellor Adenauer's ancient fear of superpower collusion at the expense of sacred German interests was hardening into unmitigated paranoia. Yet when the missile crisis broke, the two European leaders immediately fell into line behind President Kennedy because they understood that something more crucial than their own quarrels with Washington was at stake: the global balance between East and West.

Afghanistan, however, brought forth very different reactions. First, President Giscard d'Estaing rushed off to Warsaw to pay his respects to Soviet Party Chief Leonid Brezhnev; a few weeks later, Chancellor Helmut Schmidt (albeit with President Carter's grudging blessing) traveled to Moscow in an attempt to salvage at least some remnants of détente from the clutches of the two enraged superpowers.

Today, the overwhelming nuclear edge the United States possessed during the Cuban crisis has given way to "parity." Today, the Soviet Union has become a bona fide world power for the first time in history, with the means to project its military might to the remotest corners of the globe. Yet today it is no longer quite clear who the enemy is. Somehow it seems immaterial that one superpower has dealt a heavy blow to the status quo by invading a neutral country, whereas the other, even if haphazardly, has been trying to restore it. *Both* are no longer quite rational, both are seemingly conspiring to rob Europe of the precious fruits of détente, and both—as Helmut Schmidt has reiterated ad infinitum—lack a sorely needed "war avoidance strategy" which heeds the so-called lessons of 1914.

The Chancellor's cautious resort to historical metaphor betrays an ambivalence which, in turn, reflects the sharpening dilemmas of European policy: how to save détente in Europe without playing into Soviet hands elsewhere, how to please the Americans without affronting the Russians, how to show firmness abroad without risking repudiation at home. Those who are not in power, however, can afford to shrug off the dilemmas and indulge in resentment pure and simple. Thus former Chancellor Willy Brandt, the architect of Ostpolitik and European détente, has denounced the "venomous stammering" of the two superpowers;

he has deplored "sterile agitation" in the wake of Carter's "get tough" pronunciamientos; he has appealed to Germans and Europeans alike to stand ready "to save what can be saved" of détente. At the height of the Polish crisis last December he castigated those in Washington who "indulge in an orgy of impotence."

As in George Orwell's *Animal Farm*, the distinctions between pigs and humans vanish, and worse: in a textbook example of psychic displacement, fear and frustration are turned not against the aggressor but against the one who is closest to us. The most striking case in point is a letter which the novelist Günter Grass and three of his writer friends addressed to Chancellor Schmidt last April: "Since Vietnam at the latest, the American government has forfeited any right to moral appeals. . . . The limits of Alliance loyalty are reached when peace is jeopardized wantonly or negligently." There is no crisis, the letter's authors state, for "nobody is attacking us, nobody is threatening us." Hence, Grass *et al.* conclude, declarations of firmness are strictly "childish." Instead, "we Germans ought to use every possible means, every possible compromise to save the peace."

Lest this be brushed off as a knee-jerk reflex of old anti-Vietnam activists and leftish intellectuals, there are some interesting public-opinion data which suggest that the general populace is not far behind the indignant avant garde. A confidential poll sponsored by the West German government in the spring of 1980 revealed that:

- half of the West German population supported "more independence" vis-à-vis the United States (29 percent against);
- 60 percent opposed the "stationing of more and new atomic weapons" on West German soil (in favor: 24 percent);
- 45 percent of the respondents viewed "military neutrality of the Federal Republic and the GDR (German Democratic Republic)" as a useful way of safeguarding the peace (against: 34 percent).¹

III

The blurring of the security issue ("Who threatens whom?") confirms the suspicion that Afghanistan marks a qualitatively different crisis in European-American relations. One might still respond, "This, too, will pass"—especially now that the Carter Administration has been voted out of office. But if it does pass, it

¹ As cited in *Der Spiegel*, April 28, 1980.

will certainly take a very long time.

To be sure, Jimmy Carter *was* a problem for the Europeans, who could only react with puzzlement and frustration (some even with contempt) to the gyrations of U.S. foreign policy from 1976 to 1980. In the course of three years they were confronted with a total about-face. At first, there was the abrupt turn toward "Wilsonianism": the almost blind neglect of power and conflict in favor of "world order" and "global issues." Scarcely three years later, however, there was the sudden shift toward "Trumanism" à la Carter: toward rearmament, rapid deployment forces, embargoes, boycotts—in short, a "get tough" approach toward the Soviets. Worse, this medium-term cycle was but the background for rapid short-term oscillations which turned unpredictability into a steady routine in which a policy was hardly announced before it was already disputed, reversed or forgotten. Clearly, these "zig-zags and flip-flops," as *Time* called them, did not enhance the leadership potential of the United States. They made it very difficult even for its staunch friends to stick their necks out. And for those who distrusted the United States to begin with, the diplomatic blunders of the Carter Administration served as a perfect smoke screen for debating style rather than substance, and for the pursuit of their own narrow interests.

A steady foreign policy under Ronald Reagan, especially if it avoids the more blatant forms of unilateralism, will certainly reduce frictions. It will not, however, solve the problem. For the clashes of perceptions and policies dramatized by Afghanistan (and Iran before and Poland after) are not rooted in personalities but in the divergent evolution of societies on either side of the ocean. Our societies have been moving in different directions for the better part of the 1970s; the Atlantic has become deeper and wider.

In the first place, the Europeans, and the Germans in particular, have profited far more heavily from détente than has the United States. In terms of historical memory, the Europeans look back at the recurrent confrontations from the Berlin Blockade (1948–49) to the Berlin crisis (1958–1962) and compare them with the unprecedented era of stability in the 1970s. It was an era which saw the quasi settlement of World War II (also known as the "New Ostpolitik"), the Four Power Agreement on Berlin which at least quarantined a perennial trouble spot, the drawing together of the two Germanies, the flourishing of trade, and a good deal of person-to-person interaction across what used to be known as the Iron Curtain. While crises and confrontations multiplied else-

where, Europe remained an island of peace.

The American experience was far more sobering. Reacting to the hapless, costly and society-rending intervention in Southeast Asia, the United States cut back on its worldwide commitments and began to deemphasize the weight of military power in foreign policy. Yet in the process of defining a more modest role for themselves, Americans saw Soviet armaments growing apace, followed by geopolitical gains which stretched from Angola to Afghanistan. And in spite of the SALT I agreement on limiting nuclear arms and sundry other agreements concluded with the Soviets in the heyday of *détente*, the military balance deteriorated both strategically and conventionally, globally as well as locally.

For the United States, *détente* did not “work,” for the Europeans it did—hence their almost obsessive attempts to snatch as many pieces as possible from the jaws of the rattled giants. Nor was arms control discredited in Europe just because it yielded nothing tangible after so many years of barren negotiations (like those on Mutual and Balanced Force Reductions [MBFR] begun in Vienna in 1973). What matters more is the perception that arms control has not been a palpable failure either. Not only does the process continue, there is also hope for more negotiations (such as the talks on Theater Nuclear Forces [TNF] offered by Brezhnev last October). But most important of all there is no backlash born out of frustration. While many Americans associate the SALT period with the onset of unbridled Soviet opportunism, Europeans looking at Europe congratulate themselves that here at least the steady growth of Soviet military muscle did not translate into political pressure or armed adventurism. In Europe, the Soviets are still on their best behavior.

Second, and precisely because *détente* worked, the Europeans have acquired new vulnerabilities (in addition to the old ones like contiguity with the Soviet bloc) which the United States does not share. The West German case is the most telling case of transformation. Before the “New Ostpolitik,” the Federal Republic was America’s most faithful junior partner in Europe because of its special conflict with the East (centering on Bonn’s refusal to consecrate partition and the territorial redistribution that followed World War II). Conducted from a position of weakness, conflict with the East translated into a unique degree of dependence on the West. Yet as a result of the New Ostpolitik, the Federal Republic not only shed a good deal of the old fetters but also acquired new stakes. Vulnerabilities were thus shifted eastward.

Since the early 1970s, about 300,000 German ethnics have been

allowed to emigrate from Eastern Europe and the Soviet Union, but an estimated three million still remain—as unwitting hostages to good relations between Bonn and its eastern neighbors. By extension, *all* the achievements of Ostpolitik—especially the fitful process of reassociation between the two Germanies which has to substitute for the impossible goal of reunification—are hostages to détente in Europe. And even though Eastern trade is still relatively small, West German exports are about 16 times higher as a share of GNP than those of the United States. The same holds true for every other area of cooperation. Since the United States shares very few ties of interdependence with the Soviet bloc, it has very little to lose from the outbreak of Cold War II.²

Because the Germans, along with the rest of Western Europe, are far more dependent on imported energy, they are also about to increase their dependence on the Soviet Union in this strategic sector. If built as currently planned, a gigantic pipeline tapping Siberia's natural gas reserves will supply 30 percent of West German needs by 1985. The Germans argue correctly that these gas imports represent but a small share of total energy consumption (five percent), and they point to the traditional reliability of the Soviet Union as compared to, say, Iran and Iraq. The crucial political point, however, is that countries like Iran and Iraq, no matter how irrational and unreliable, do not press vital political demands on the Federal Republic, nor do they have the clout of a superpower like the Soviet Union.

Third, it comes as no great surprise that the uneven distribution of détente's costs and benefits has left a heavy imprint on the domestic bases of foreign policy in Europe and the United States. In Europe the decline of East-West hostility, the steady progress of trade and travel, and the perception of ultra-stability along the East-West divide have realigned domestic priorities away from defense and toward public welfare and private prosperity.

The fear of confrontation and the claims of tranquillity loom far larger than the problems of the military balance, Soviet opportunism, or instability in the Third World. As a result, countries like Belgium, Holland and Denmark can no longer be regarded as full-fledged members of the Alliance. In England, as recent Labour debates have shown, polarization on defense is sharpening. And throughout Europe, the modernization of intermediate-range Theater Nuclear Forces (decreed at NATO's Decem-

² U.S. exports to the Soviet Union in 1980 amounted to \$0.9 billion, down from \$3.6 billion in 1979. German exports to the Soviet Union were \$4.4 billion, up from \$3.66 billion in 1979.

ber 1979 meeting in Brussels) will run into increasing domestic opposition as the day of deployment draws closer. (The French, as usual, are the exception. Regardless of Gaullist rhetoric, their policy of splendid aggravation was always finely attuned to the realities of the military balance in and around Europe. With Soviet power growing and France's security barrier between Scheldt, Rhine and Elbe weakening, the French are projecting a five-percent real increase in defense expenditures for 1981.)

In the United States, public opinion points in the opposite direction. The Vietnam-induced revulsion against entangling commitments and the use of force has yielded to the "new patriotism" which yearns to make the United States "number one" again. Détente has become a four-letter word, and the popularity of defense spending is on the upswing. Whether the current mood represents a new sense of resolve rather than mere frustration still remains to be seen. The widespread aversion to the draft is one indication of ambivalence; Ronald Reagan's tenuous campaign promise of "more guns and fewer taxes" was another. Hence, the nation's tolerance for national sacrifice may well fall short of its newly proclaimed aspirations.

IV

Even so, it is clear that perceptions and beliefs on both shores of the Atlantic are drastically out of phase. The few premises that are still shared by Europeans and Americans are dwarfed by the many disputes where they clash not only over tactics but over *Weltanschauung*.

Arms control. If Americans now question arms control both as a process (stabilizing East-West relations) and as an end (slowing the arms race), Europeans still view the enterprise as an important ingredient of détente and as an imperative goal in its own right. In Europe, arms control commands broad-based, even growing public support; in the United States, the restoration of military strength now looms larger than balance-through-reduction. The clash of public moods is nicely illustrated in the quite opposite approaches taken by the United States and Europe to TNF modernization and SALT.

The 1979 Brussels decision to deploy 572 intermediate-range missile systems in Europe could only be bought with an ironclad commitment to arms control talks with the Soviets—as substitute or as alibi for an eventual TNF buildup. In the United States, by contrast, President Carter felt compelled to pay for SALT II with a massive rearmament program (like the mobile MX missile and a

host of conventional add-ons). Put differently: in Europe, arms control is the price of rearmament (even that may not be enough for the actual deployment of intermediate-range Theater Nuclear Forces in 1983); across the ocean, rearmament is the price of arms control (and even that was not enough to buy the passage of SALT II in the Senate).

Détente. Ten years ago, Europeans and Americans embarked on the road to détente with a tidy theory in hand. Together they would cast a net of interdependence around the Soviets, enmeshing them in trade and technology transfers, credit lines and arms control agreements. Having acquired a stake in cooperative relations with the West, the Soviet Union would behave according to Western standards—like any reasonable power which values peace and prosperity more highly than the costly pleasures of aggrandizement. The Kremlin, the theory ran, would not risk the horn of capitalist plenty for a quick geopolitical grab here or there.

Today, the question is not only whether “linkage” has failed but also whether some of us have not become more “interdependent” than the Soviet Union. For by the same theory, Soviet “misbehavior” should have been met with the denial of cooperation and the cutting of links. Yet, in practice, Western responses did not follow the logic of linkage but the “détente differential” between the United States and Europe.

Having little to lose from the breakdown of superpower détente, the United States reacted to the rumblings of Cold War II with sanctions and rearmament. Counting their numerous blessings, many Europeans asserted not only the basic validity of the original concept but also the need for more rather than less détente in times of tension. If Americans were struck by the deterioration of the global military balance, Europeans worried about the threat to regional tranquility. Hence, they invoked the “1914 analogy” and the danger of mutual miscalculation engendered by an ill-considered call to arms. Americans, on the other hand, pointed to the “Munich analogy” and the danger of Soviet miscalculation stemming from perceived Western weakness. Conscious of the burden of global containment, the United States called for resistance on a global scale; scrambling to shore up the dikes around the Continent, the Europeans asked: “Why risk détente here just because it has broken down elsewhere? Shouldn’t we pocket our regional gains instead of gambling them away in extra-European disputes which call for different chips anyway?”

Perceptions of the Soviet Union. For Americans, Afghanistan posed a threefold threat: a move so close to the Persian Gulf was fraught

with grave implications for global security and Western energy supplies; it suggested that Soviet objectives tended to expand with Soviet (military) means; and it dramatized an inherent opportunism which could only be checked by countervailing power. The Europeans took a more benign view, stressing the defensive motives of the Soviet Union. They saw the thrust into Afghanistan as a limited response to a set of circumstances that were *sui generis*; they emphasized the unique vulnerability of a multinational empire to fundamentalist challenges from across its borders; and they invoked the age-old Russian trauma of encirclement and invasion as guideline for a Western strategy which ought to reassure rather than provoke the Soviets.

With equal insistence, Americans and Europeans each claimed superior wisdom for their point of view. The din of mutual recrimination merely helped to obscure the obvious: an irreducible difference of interests lies at the root of all our disputes and inevitably conditions our perceptions. For the Europeans, *détente* has always been more than just the relaxation of tensions and the stabilization of the military milieu. *Détente* in Europe was to offer a framework which might allow the Soviets to loosen their stranglehold on the eastern half of the Continent. This was certainly the key thrust of Ostpolitik. If reunification of the two Germanies was precluded by the realities of territorial possession, then the increasing permeability of borders and the cautious liberalization of regimes would mute the consequences of partition and ultimately even render irrelevant the quest for a unitary German state.

All of this required that the Soviets be fed a steady diet of reassurance, supplemented by a stream of material benefits which would outweigh the risks of partial devolution. Hence the narrow German tolerance for anything which might either destabilize the Soviet regime or legitimize the reimposition of East-bloc uniformity by force—long before Afghanistan. In 1977, the Germans were rattled by Carter's human rights campaign, in 1978 they vacillated over the "neutron bomb," in 1979 the ruling Social Democratic Party barely consented to TNF modernization, in 1980 they stood ready to "defend *détente* tooth and nail," as Foreign Minister Genscher put it. Contrary to American expectations, the Polish crisis made no difference just because it was closer to home than Afghanistan. Precisely because an invasion of Poland would reduce the rationale of Ostpolitik *ad absurdum*, the Germans held their breath in apprehension while secretly cursing the Americans for their renewed rush to confrontation. Given German premises,

it was only logical that somebody like Willy Brandt would seek to hold off the Americans and reassure the nervous Russians by pooh-poohing the bipolar dimensions of the crisis: "Poland has a great deal more to do with Poland than with the relationship between East and West."

Domestic politics and foreign policy. There is yet another reason why Germans in particular tend to take a more generous view of Soviet motives and needs than Americans. The ruling coalition of Social Democrats and liberals gained and then consolidated power in a fierce battle over Ostpolitik between 1969 and 1972 by pitting a program of reconciliation and cooperation against Christian Democratic orthodoxy. Having staked their fate on détente, they are condemned to defend it—all the more so because a freezing chill in Europe would surely benefit the conservatives. In a country as exposed as the Federal Republic, the failure of détente might well redound against those who presided over its initiation and intensification. This explains not only Bonn's resistance to the more extreme demands of neo-containment but also the unflagging attempt to reassure a security-conscious home audience by representing Soviet motives as essentially reasonable and defensive. In stark contrast to France, where the legitimacy of a conservative regime is not tied to unruffled relations with the East, the diplomatic flexibility of the West German government is tightly circumscribed by the imperatives of domestic control.

IV

Is this "Finlandization"? Do the Europeans seek refuge in the most optimistic interpretations of Soviet behavior because they can no longer stomach a pessimistic assessment? The foregoing analysis suggests that the widening gap between Europe and the United States requires a more complex explanation than crude geopolitical metaphors can offer. If anything, it is not fear which drives accommodation but smugness: a deep-seated sense of security born out of 35 years of peace jelling into ultra-stability. Indeed, fear would have simplified the problem considerably. It would have fused the cracks and galvanized joint action; it would have dramatized security gaps and driven Europe closer into the arms of the United States, as in the 1950s.

As it is, the growing protest against TNF modernization, for instance, is now fed by the conviction that attempts to *restore* the balance are the problem, that the emplacement of new and relatively invulnerable missiles in Europe will not enhance deterrence but rather Soviet temptations to go for an all-out preemptive

strike. The logic may be curdled (“If you want peace, *don’t* prepare for war”), but in politics beliefs matter more than the arcane canons of nuclear theology. And there is a generation moving into positions of power which, having experienced nothing but peace in Europe, can only respond with impatient disbelief to their elders’ claims that a strong defense is indispensable to a stable détente. Precisely because we have been so successful in erecting a sturdy structure of peace in Europe, we tend to forget about the building blocks that went into its foundation—notably the American security guarantee and an unprecedented peacetime concentration of power on either side of the divide.

It has become fashionable to blame generational change for a good part of our troubles (two years ago, the National Security Council even commissioned a study on the “successor generation” issue). Indeed, the number of Europeans and Americans capable of acting as “interpreters” between the societies on the opposite shores of the Atlantic seems to be declining. Although deplorable, this is not really the core of the problem. Our disputes are rarely fueled by misperceptions or “false consciousness” but by solid differences in situation and interest which we understand only too well even if we hesitate to articulate them.

On both sides, interest in the other is shrinking. While interaction is flourishing in the realms of foreign investment and mass culture (cars, pop music, apparel, movies, fast food), it is stagnating in most other areas which used to cross-fertilize each other: newspaper reporting, language studies, university training abroad, literature and the arts. While Helmut Schmidt is fond of quoting Jefferson to German audiences, his successors might no longer care to know enough English for a perusal of the Federalist Papers. We are in danger of becoming irrelevant to each other.

What is to be done? For Rousseau, the worst of all political worlds was dependence without community. For him, there were only two escape routes from political misery: either the total community of the “general will” or the total independence of the small, autarchic family unit (preferably living on isolated mountain tops). It is obvious that we can choose neither.

We cannot choose separation because Europe, when left alone, has proven unable to solve the problem of her own order. She could not accommodate (or thwart) the rise of Germany, she cannot counterbalance the Soviet Union. Conversely, the autonomy of Europe is a key strategic interest of the United States. That country went to war twice in this century to prevent the domination of Europe by Germany, and after the second war it

had to stay there to deter a third attempt by the Soviet Union.

Reluctantly made, America's investment in Europe paid off beyond all expectations. As power-in-Europe, the United States saved Europe from herself and from the Soviet Union. While holding the balance against the new contender to hegemony, the United States also provided a framework which safely enveloped the energies of the previous claimant. That the new order could at last accommodate a resurgent Germany is an abiding triumph of American diplomacy. It should not be endangered lightly by letting (understandable) resentment of European "ingrates" or "self-Finlandizers" dictate America's strategy toward its most important glacis. Even if the Europeans were to contribute nothing to the common defense, it would still be in America's own deepest national interest to safeguard the independence of Europe.

Nor can we choose Rousseau's other alternative—community. Community implies submission to common leadership, interest and purpose. The foregoing analysis has tried to show why these conditions cannot possibly be met. Europe's and America's situations—meaning the ensemble of location, power and interest which conditions a nation's foreign policy—are simply too disparate. And because we pretended to unattainable objectives, interdependence became a curse. For even in an alliance, it is difficult to march in lockstep if we listen to different beats, look in different directions and labor under different burdens and vulnerabilities. Hence the call to uniformity stridently sounded in Washington after Afghanistan exacted a heavy price: the visible disintegration of the Alliance which obscured our shared convictions while giving comfort to our opponents.

We might do better if we aimed lower so as to score higher, if we loosened some links in order to strengthen those that matter most. What matters is the astounding stability of Europe which rests on an unprecedented peacetime concentration of military power on either side of the divide. To be sure, the real foundation of peace is a unilateral American security guarantee supplemented by (insufficient) European "dues." It is only too understandable that the United States should call for larger European contributions in the service of global neo-containment. Yet the French will only do so if their sacred independence remains untouched, the British if it does not cost too much in real as opposed to rhetorical terms, the Germans (and the smaller allies) if they can go on cultivating their regional détente gardens.

Given Western Europe's current mood, deplorable as it may be when seen from Washington, there is the risk that asking too

much globally will not only yield very little but perhaps even rebound against the Alliance core already shaken by the recriminations of the past year and a half. Neo-containment might then be successfully represented as an American "plot" to drag Europe into extra-European quarrels. American attempts to restore the global balance might be denounced as "war mongering" designed to wrest "superiority" from the Soviets. From there, it is but a short step toward a wholesale attack against pressing Alliance necessities in *Europe*: against higher defense outlays ("nobody is threatening us"), against TNF modernization ("the Brussels deal is off because the Americans are renegeing on their arms control commitment"), against the very idea of military equilibrium ("if we arm, we will only provoke the rattled Russians into a new arms race").

All of this is not an idle scenario of doom; it is already a reality which shapes perceptions along a broad range of opinion stretching from the far Left to the Center (including, in West Germany, parts of the Protestant church and the "ecologists"). A good recent case in point is El Salvador. While the Reagan Administration, in its first major foreign policy move, rushed high-level emissaries to Europe charged with proving Soviet intervention, a good many Europeans responded with facile analogies according to which El Salvador was being turned into an American "Afghanistan."

As Europe and the United States are preparing to haggle over a new "transatlantic bargain" for the 1980s, it is clear that they must continue to walk the tightrope between defense and détente, between a less hidebound European role *and* fewer strains on the Atlantic relationship. In the process, they must accept three irreducible differences between Europe and the United States.

First, the United States is a global power, and Europe, in spite of some impressive aggregates in terms of population, GNP and trade, is a collection of small to middling regional powers with limited resources and limited visions. The interests of a global power are global by definition, and great powers have always been compelled to pay a disproportionate share for the maintenance of the "system." Conversely, *all* small powers are intrinsically "Gaullist": they will seek to profit more from the structures provided by the great powers than they will invest in them.

The task of a global power, as Kenneth Waltz put it, "is to take care of regions where its vital interests lie if the countries in those regions cannot take care of themselves."³ There is *no* vital region

³ Kenneth Waltz, "What Should A Rapid Deployment Force Be For?," unpublished ms., Center of International Studies, Berkeley: University of California, 1980, p. 33.

in the world, including Europe, where the kind of devolution implied by that definition could be achieved. While Europeans and Japanese could well do more, they can neither defend themselves without the United States nor assume the burden of global containment which only the United States can shoulder. This may be manifestly unfair but it is a fact which a world power can only ignore at its peril; certainly the fate of the Shah of Iran, once touted as the cornerstone of devolution in the Gulf, provides an instructive warning. Or as General de Gaulle, by no means an admirer of the United States, once put it: "*Le pouvoir est à Washington.*"

Second, there is the uneven distribution of means. *Prima facie*, the staggering economic performance of the Europeans has narrowed or eliminated many leads the United States once held. Why can't they do more then? Don't the Germans in particular have the money, the men and the guns that could be used in the service of neo-containment?

The answer is no longer as self-evident as it used to be. The Federal Republic's vaunted economic miracle has begun to show some ugly cracks under the impact of worldwide recession and galloping oil prices. After running a seemingly eternal surplus, the West German economy produced an unprecedented current account deficit of \$14 billion last year (1979: \$5 billion at current exchange rates); this year unemployment is expected to top 1.3 million, the highest rate since 1954. As a result, defense expenditures are slated to rise only nominally in 1981, and if the current trend persists, they will even decline nominally in 1982, for the first time in history. As everywhere else in Europe (with the exception of France), the fear of economic misfortune and the experience of regional ultra-stability have created a starkly different public opinion climate as compared to the United States.

Yet the economic facts are only part of the answer. It is not just a matter of public mood but also of historical memory. The West Germans already field the largest army in Western Europe. Do we really want an even larger West German ground force, given the legacies of World War II which are still unresolved and the memories of the past which still linger—in the West as well as in the East? Has the time really come to pierce the protective cocoon that has spared the Federal Republic the necessities of choice in matters of defense and power projection? There is already an East German Afrika-Korps in operation; do we really want a West German equivalent in the Gulf?

There are thus trade-offs between destabilization in Europe and

the stabilization of the Third World which ought to be carefully calculated. For now, it makes more sense to fall back on German economic resources (even if less freely available than before) and to invest them closer to home—such as in Turkey, the soft underbelly of NATO. And if military power is the issue, German contributions to NATO's infrastructure—especially to stockpiling and pre-positioning—make more sense than more men on the ground. A larger navy that could relieve American and British forces in the Atlantic might be far more useful than a larger Bundeswehr. A division of labor along these lines would satisfy the counsel of prudence without leaving all the labor to the United States.⁴

Third, there is the uneven distribution of vulnerabilities. To put it crudely, Europe is weaker than the United States, it is geographically closer to the Soviet Union, and during the past decade it has acquired more tangible stakes in the détente process. Precisely because the United States has already cut most of its economic links to the Soviet Union, any attempt at undifferentiated economic warfare against the Kremlin would impose disproportionate costs on the Europeans (European Community exports to the Soviet Union in 1979 were \$8.3 billion). Any policy which ignores these differentials is doomed to failure. Certainly, the record of 1980 is not encouraging: if the Europeans are confronted with American faits accomplis, they will resist vociferously; if they are somehow cornered into agreement, they will sabotage it later on.

Does this mean that Europe can do nothing to change the future risk calculations of the Soviets? What matters is a policy that appears equitable and does not play into Soviet hands by dramatizing the Alliance's inability to act in concert. There *is* a middle course between, say, a sudden rush to economic retaliation (a grain embargo that was soon resented by American farmers) and "business as usual." There is a difference between severing established trade links and going slow on new ones (the latter driving home the "message" to the Kremlin without the self-imposed costs of the former). Dislocating the trade-intensive economies of Western Europe is a heavier burden than the refusal to fill those gaps left by American embargoes. A check on sensitive technology exports is easier (and presumably more effective) than a blanket denial of agricultural and manufactured goods.

⁴ In drawing up their count of indictments, critics should also take cognizance of the following facts. Parts of the West German navy have already been shifted from the Baltic to the North Sea and, due to the draft, there are 1.5 million trained reserves available for wartime service in the Bundeswehr.

What matters most is a policy which is less ambitious in its demands for uniformity, one that will generate less heat through sheer friction and a bit more light. The Europeans might see that ritual incantations of détente-mindedness are no substitute for the restoration of the military balance and a policy which holds the Soviets accountable to some minimal standards of international behavior. If we are willing to pay any price for détente in Europe, the price may well rise to the point where *Europe's* security will hang in the balance. And the Americans might see that allies can shoulder some burdens but not all—that in the end, allies are not a substitute for American power and purpose. Above all, we must avoid a situation where the Europeans are forced into a desperate trade-off between dependencies, where they can demonstrate autonomy vis-à-vis the United States only by increasing their dependence on the Soviet Union.

Gerald L. Curtis

JAPANESE SECURITY POLICIES AND THE UNITED STATES

Americans who follow trends in Japanese security policies tend to divide into those who see little significant change, particularly in terms of the central importance of the U.S. alliance, and those who believe that Japan is poised to embark on a more assertive and independent course involving independent military capabilities and an important role in regional security. Which view is more nearly correct, and how the balance is struck between autonomy and alliance, are crucially important questions, both in themselves and in terms of U.S.-Japan relations.

There can be little doubt that Japanese thinking has entered a new phase, over the last decade but especially in the past few years, and that the central factor underlying Japanese concern with what has come to be called “comprehensive security” is a marked shift in Japanese perceptions and attitudes concerning the United States. In an important and illuminating report for then Prime Minister Ohira, a group of specialists headed by Masamichi Inoki noted this shift in July 1980 in no uncertain terms: “the most fundamental change in the international situation which emerged in the 1970s was the end of American superiority both militarily and economically.”¹ No longer could the United States be depended upon to underwrite a stable international currency system, to guarantee Japanese access to energy and raw materials, or to secure Japanese political interests in a stable political order.

Such a view, which sometimes takes the form of an exaggerated perception of American weakness and decline, has been reflected to some extent in Japanese policy—in its relations with the Association of Southeast Asian Nations (ASEAN), in its Arab tilt after the 1973 oil boycott, in the new interest in military defense, and in the willingness of some of its leaders to express their views more forthrightly than in the past on a variety of international issues.

But the perception of the end of the age of *pax Americana* has not

¹ See Seisaku Kenkyūkai, Sōgō Anzen Hoshō Kenkyū Group, *Sōgō Anzen Hoshō Kenkyū Group Hōkokusho*, July 2, 1980.

Gerald L. Curtis is Professor of Political Science at Columbia University and Director of its East Asian Institute.

yet had a more fundamental impact on Japanese security policies. This is not particularly surprising. Declining confidence in the credibility of American support does not necessarily lead to a desire to abandon it. As Fritz Stern recently wrote of West Germany's leadership, mainstream Japanese leaders—however apprehensive about American policy they may be—are not ready “to commit suicide out of a fear of death.”² Few but the most extreme elements on the Right and the Left favor a Japanese security policy independent of the U.S. security treaty structure.

Moreover, the shift in attitudes toward the United States has not yet worked its way through the political system. Public opinion is not ready for new bold policy directions, nor is there a clear sense of the options available to Japan. Thus there is an ambivalence in attitudes about the United States, a fluidity in current Japanese thinking about security, and a tentative and limited quality to the consensus that presently prevails.

Furthermore, caution, a risk-minimizing orientation to international political affairs, and a conviction that more costs than benefits would result from a major military role that would move beyond a limited conception of conventional self-defense remain keynotes of Japanese foreign policy. But there is also a new assertiveness that arises not simply from an awareness of the country's economic power but from a new sense of confidence in the strength of the nation's economic, social, and political institutions and in the Japanese way of doing things. The feeling that Japan should “do something” in international affairs more than doggedly pursue its own economic self-interest has become widespread. But agreement about what that “something” should be has yet to be forged.

Against this general background, let us look more closely at Japan's foreign policy toward the Soviet Union and China, and how Japanese leaders view American policy toward these countries, and then at the state of Japanese thinking concerning their own defense posture. These are not the only issues that are potential sources of tension in dealings between Tokyo and Washington—one thinks at once of bilateral economic problems and the Middle East. But they involve central security problems on which serious disagreements are conceivable. And finally let us take a close look at the changing character of Japanese political leadership in the next decade, which has its own important implications for the conduct of Japan's foreign relations and for U.S. efforts to maintain and strengthen a relationship vital both

² Fritz Stern, “Germany in a Semi-Gaullist Europe,” *Foreign Affairs*, Spring 1980, p. 884.

to U.S. policy in East Asia and to broader American national interests.

II

Japan is not pursuing an equidistant policy toward Moscow and Peking, nor is it likely to seek a balance in its relations with its two large communist neighbors for the foreseeable future. There are strong indications that economic relations with China will continue to grow more than those with the Soviet Union, that cultural relations with China will expand while those with the Soviet Union will stagnate, and that political relations—assuming the absence of major policy shifts on the part of either the Soviet Union or the People's Republic—will be generally positive with the PRC and relatively acrimonious in the case of the U.S.S.R.

The last time two-way trade between Japan and the Soviet Union exceeded that between Japan and China was in 1976. Since then trade with China has grown at a much faster rate than that with the Soviet Union, the gap growing wider in the aftermath of Afghanistan. Two-way trade with China in the first half of 1980 amounted to \$3,992 million while that with the Soviet Union was \$2,158 million. Japanese exports to the Soviet Union, in fact, declined absolutely in dollar terms in the first half of 1980 compared to the first half of 1979.

Anti-Soviet sentiment in Japan is strong, and it is growing. The reasons are not hard to discern: increased Soviet naval power in the waters surrounding Japan, a military buildup on the disputed northern islands and total intransigence on the issue of their reversion, Soviet support for Vietnam's efforts to impose a client regime in Kampuchea, the Afghanistan invasion, and more generally a Soviet diplomatic style toward Japan which is marked by an almost total inflexibility and a seemingly purposeful indifference to Japanese reactions. Though few serious people worry about a Soviet attack on Japan in the absence of a wider conflagration, the perception of the Soviet Union as posing a threat to Japan has grown both among elite groups and the public at large. It has been a major factor in spurring Japanese to consider military issues more seriously than before.

Both for these reasons and because of then Prime Minister Ohira's determination to demonstrate the importance Japan attaches to the U.S. alliance, the Japanese government, after an initial hesitation, moved in step with the Carter Administration in imposing sanctions on the Soviet Union to protest its invasion of Afghanistan. In addition to forcing the Japanese Olympic

Committee to boycott the Moscow games, the government brought a halt to most trade talks then ongoing. Negotiations relating to 14 projects valued at \$4-5 billion were suspended; new Japanese plant exports to the U.S.S.R. virtually ceased; and a freeze was put on new loans through the Japanese Export-Import Bank for exports to Moscow on a deferred-payment basis.

Japan's position was considerably more cooperative with U.S. policy than that of key West European countries, and as 1980 progressed Japanese businessmen began complaining, with considerable justification, that they were losing contracts to European competitors. In the first half of 1980 Japan ceded to France its erstwhile position as the Soviet Union's second largest non-communist trading partner (the first being West Germany). So it is hardly surprising that Japanese support for sanctions is now waning. They see the American determination to retain sanctions wavering, and are convinced that the Russians are in Afghanistan for a long time to come and that further Japanese fidelity to U.S. policies will only lead Moscow into deals with European, and possibly American, firms. At the end of 1980 Japan agreed to extend new credits by its Export-Import Bank totalling 208.8 billion yen for coking coal development in South Yakutsk and for the exploitation of Siberian forestry resources.

Even with sanctions removed, however, it is unlikely that trade between the Soviet Union and Japan will expand very greatly. At the best of times Soviet trade has not exceeded more than about two and a half percent of Japanese total trade, and some of the Siberian projects on which Japanese participation was most sought by the Soviet Union failed to elicit an enthusiastic Japanese response long before Afghanistan or the recent expansion of Soviet military capabilities in the Far East. Considerations of cost, security of supply, the absence of American participation, and the potential military uses of the projects proposed, as well as a concern for Chinese sensitivities, have made Japanese government and business leaders cautious about Soviet economic relations.

The Japanese government does not appear to be prepared to take any initiatives to try to improve Soviet relations. While there are disagreements among Japanese leaders as to how to deal with the Soviet Union, the dominant sentiment at the moment is that any improvement in the relationship will have to come on Soviet initiative. The Soviet Union, according to this view, has as much if not more to lose from a further deterioration in relations, and hence Japan can refuse to offer concessions or move to improve the relationship without incurring serious costs. Thus there is a

curious mixture in current Japanese thinking: on the one hand, anxiety about Soviet intentions and capabilities; on the other, a new degree of self-confidence that Japan can live perfectly well with the present unsatisfactory state of the relationship.

At the same time, precisely because the Soviet Union is potentially Japan's most dangerous neighbor, there is a widespread view that efforts should be made to avoid policies or actions that would worsen the relationship. Japan continues to try to reassure the Soviets that it is not lining up with the Chinese in an anti-Soviet bloc; it will attempt to keep the door open for expanded Soviet ties should Soviet diplomatic strategy toward Japan change. But given the record of Soviet diplomacy toward Japan, the possibility of a more intelligent strategy must be regarded as extremely small.

What about the Japanese view of American policy toward the Soviet Union? Despite their own anti-Soviet views, Japanese leadership groups share a general lack of confidence in American leadership and a feeling that Japan has been pulled to and fro by excessively wide swings in American policy, especially during the Carter Administration. Indeed, some influential Japanese have interpreted these swings as being, at least in part, an effort to deflect public attention away from, and an unwillingness to come to grips with, a variety of difficult domestic problems. The Inoki report cited earlier more than hints at this perception: "Unfortunately, it is easier to take a hardline anti-Soviet stance given the opportunity presented by the Afghanistan problem than to come to grips with energy conservation, easier to criticize the 'invasion' of Japanese-made goods than to work to increase productivity or change industrial structure."

It is still too early to say how Japanese leaders perceive the Reagan Administration's Soviet policy. Clearly there is support for the new Administration's efforts to strengthen America's military position. Just as clearly, there is apprehension lest U.S. policy become totally confrontationist and increase the risks of conflict. One hardly need underscore the ambivalence evident here. Japan will go along with a tough U.S. policy toward the Soviet Union up to a point, because it perceives the need for toughness and because it views positive relations with the United States as essential to its security. But it would be unlikely to associate itself with a posture that effectively closed off avenues to possible accommodation with the U.S.S.R., particularly if Western Europe persists in efforts to preserve détente at the cost even of considerable discord in European-American relations. And should Amer-

ican policy include what were perceived to be attempts to build an anti-Soviet entente with China and Japan, the Japanese reaction would be even more negative, on all present indications. Japan is in a sharp tilt toward China, but it is not about to fall into an anti-Soviet tripartite alliance or a de facto security relationship.

III

Although the normalization of Sino-Japanese diplomatic relations in 1972 came in response to the new political situation created by the Nixon Administration's opening of relations with the PRC, the thrust of Japanese policy toward China since then has been overwhelmingly economic. As China's internal policies turned more pragmatic and development-oriented, the Japanese became for a time enthusiastic boosters of trade ties with China, signing a long-term trade agreement in 1978 and entering into contracts to export large-scale plants and equipment needed for China's crash modernization drive.

However, shortly after the signing of that trade agreement, it became evident that China's planners had set totally unrealistic targets, and the Japanese settled down to more modest appraisals of the short- to medium-term potential of China both as a source of needed supplies and as a market for Japanese goods. Like the Chinese themselves, the Japanese have come to realize the difficulties of modernizing the economy and the long period of time that will be required. The Chinese cancellation of contracts for some 17 Japanese steelmaking and petrochemical plants this February removed any doubts on that score. Nonetheless, Japan, unlike the United States, has a long-term economic strategy, and in that strategy China continues to occupy a significant though limited position.

Of Japan's total exports in 1979, 3.6 percent went to China. On the other hand Japan accounts for nearly a quarter of total Chinese imports. Although Japan's market share has declined slightly in the past couple of years and may decline a little further, given a PRC policy that seeks to diversify China's sources of imports, the size of Sino-Japanese trade and its continuing expansion remain impressive by any measure. The annual volume of trade between the two countries increased almost six times in the seven years following the normalization agreement in 1972, at an average annual growth rate of 29 percent. Excluding transactions with OPEC nations, this is a faster rate of growth than Japan had with any other country in the world.

In terms of exports, China in 1979 was Japan's seventh largest market, with chemical fertilizers, steel, and machinery and equipment, especially machinery for textile production, cargo handling, mining, construction, and agriculture being the major export items. The increases in machinery and equipment exports within the past few years have been dramatic, increasing from 11.2 percent of Japanese exports to China in 1977 to 30.7 percent in 1979 and 40.2 percent in the first half of 1980.

But the important feature of Japan's economic intercourse with China is not only the size of the exchange but the direct link between Japan's trade and loan policies and China's modernization program, particularly the development of agriculture, textile industries, and energy-related exploration, development and transportation. The successful modernization of those particular sectors would enable Japan to increase imports precisely in those areas where it has no significant domestic capability, i.e., energy and foodstuffs, and those where it is phasing out its own industry, as in fairly simple textiles.

The energy picture, however, has so far been a disappointing one. The 1978 long-term trade agreement between the two countries called for shipment of 9.5 million tons of crude oil in 1981 and 15 million tons in 1982, targets that clearly will not be met. In drawing up these targets the Chinese simply failed to anticipate the difficulties they would face in bringing new wells into operation or even keeping production increasing from existing wells. Total Chinese crude oil production in 1980 appears to have declined somewhat compared to the previous year, and the target for 1981 is to try to keep production at 1980 levels. Chinese crude oil exports to Japan in 1980 totalled about 8 million tons, and this total appears likely to rise only slightly, if at all, in 1981 and 1982. In terms of Japan's total oil imports of 242 million tons (1979), this is but a drop in the bucket.

From the Chinese standpoint, however, crude oil is the vital element in its trade balance with Japan: even though the volume has not gone up significantly in the past three years, price rises have dramatically increased its value, so that crude oil accounted for 42.4 percent of Japanese imports from China in the first half of 1980 and was the major factor in nearly wiping out the previous pattern of Chinese deficits in the bilateral trade balance. Both countries have obvious major stakes in the development of China's energy resources—coal and gas as well as oil—and Japan is deeply involved financially in efforts to expand production. But current prospects are not encouraging, either in terms of Japan's desire to

diversify its energy sources or China's need for foreign exchange.

In the late 1970s some Americans (and a few Japanese) were concerned about Japan's getting too big a share of the Chinese market, to the point of creating political frictions with the United States. In the three years from 1977 to 1979, however, U.S. exports to China rose tenfold (from \$171 million to \$1,723 million), and while most of this was agricultural commodities, the proportion of manufactured goods has grown steadily and is now a substantial 35 percent of total exports. While U.S. investment and capital equipment exports to China are still well below those of Japan, the United States has established a competitive position; this is healthy from every standpoint, as a foundation for the overall Sino-American relationship and also because a situation in which Japan gained major economic benefits while the United States concentrated on issues of higher strategy would indeed contain the seeds for major discord in bilateral U.S.-Japan relations. While there surely is room for Japanese-American joint efforts to contribute to Chinese economic development, one should not equate the desirability of cooperation with an absence of competition. The critical challenge to U.S. policy in terms of economic relations with China is not to lessen competition with Japan but to foster it.

A similar point can be made about American economic intercourse with Asian countries as a whole. An inability on the part of the United States to maintain an economically competitive position would eventually undercut domestic support for a major political and military role in the region. It could lead to political problems in the bilateral U.S.-Japan relationship, particularly if a pattern emerges in which Japan retains a dominant position in the export of machinery and equipment for industries in the middle-income Asian countries that find their major export markets in the United States.

What, then, of the Japanese view of their own political relations with China, and of the Sino-American political relationship? From 1972 onward, Japanese leaders were intensely concerned about the possible impact on their Soviet relations of the appearance of a close Sino-Japanese political relationship. They refused to accept the anti-hegemony clause proposed by China for inclusion in a Sino-Japanese peace treaty and thus delayed conclusion of the treaty until 1978, when a compromise was struck to replace the language proposed by the Chinese—which was clearly anti-Soviet in intent—with a more general statement opposing hegemonism.

The Japanese were not only determined to decouple their China and Soviet policies but also reluctant to face up to the implications for Japan of the strategic thrust of the American rapprochement with China. After the establishment of full diplomatic relations between the United States and China in 1978, many Japanese leaders became concerned with what they saw as growing American enthusiasm for playing a "China card" to contain Soviet expansionism. But their response was largely confined to reassuring the Soviet Union that they were not playing the same game.

This basic orientation has not changed. At the present time, however, though there continues to be no substantial support in Tokyo for a China policy that would align Japan with China and the United States in an anti-Soviet united front, there appears to be a much less anxious attitude than was evident a couple of years ago both about Sino-American cooperation and about the impact on the Soviet Union of Japan's own policies toward China.

Japanese reactions to the meeting of Premier Hua Guofeng with President Jimmy Carter in Tokyo in June 1980 are indicative of the current Japanese mood. Contrary to the worries of some, Japan did not appear at all nervous about the impression of an emerging triple alliance that might be created in Moscow by having Hua and Carter meet in Tokyo. On the contrary, the whole country seemed to delight in being host to that meeting—because it put the Ohira memorial service at least on a par with Tito's in terms of "funeral summitry," because it made Japan the stage for what was seen as a historic event, and because it was a neat way to take a slap at the Russians who sent no one higher than the Ambassador to Japan to represent the country at the service.

It may well be that the relaxed, even nonchalant, attitude with which many Japanese political and business leaders view U.S. China policy results from a belief that the United States will not move very far in developing a security relationship with China or that the course of Sino-American relations will not, in any case, have an adverse impact on a Japanese policy committed to keeping the country divorced from efforts to manipulate China ties for purposes of restraining the Soviet Union in its political behavior. But there are other factors that contribute to this Japanese attitude and which reflect significantly on a number of more general features of Japanese foreign policy orientations.

Japanese increasingly talk of a division of responsibility between the United States and Japan in helping China modernize its economy, with the United States, as is appropriate to its great

power status, assuming primary responsibility for geopolitical concerns while the Japanese extend loans, technical assistance and in other ways contribute to China's economic development. In this new version of the separation of economics and politics, it is difficult for Japan to be openly critical of U.S. policy on matters relating to geopolitical strategy and at the same time avoid being drawn more directly into this strategy. There remains a tendency in Japan to view Sino-Japanese relations in an almost completely bilateral context, while Sino-American relations are seen as part and parcel of a larger geopolitical game.

Thus, for Japan, American China policy is important primarily to the extent it affects Japan's bilateral ties with Peking and with Moscow. From such a vantage point the best way to limit any potentially adverse impact on these relationships is for Japan to tend to its own business and stay out of the geopolitical game. The issue of U.S. military assistance to the PRC is a case in point. No matter how seriously it might privately express its concerns, Japan would rather not have to take a public position. It does not lose much in its Soviet relations by failing to make public its concerns about the direction of U.S. China policy, and the improvement in Soviet relations that might result from openly criticizing trends in Sino-American relations it considers worrisome would probably not be as great as the strains that would arise in its relations with both the United States and China. And since the U.S. government, despite its rhetoric of viewing Japan as the cornerstone of its East Asian policy, has not sought to consult with Japan in formulating its China policies, the Japanese are under no pressure to take a position—even though the course of Sino-American relations will in the long run affect their interests as much as anyone else and could also lead to serious difficulties between Japan and the United States.

But it is not only the legacy of a small power mentality which accounts for the spectator posture Japanese often adopt vis-à-vis Sino-American relations. Japanese also are realistic about the implications of Chinese modernization, cognizant that an economically developed China would not remain a militarily backward one and aware that their own exports and economic assistance contribute, both indirectly and directly, to greater Chinese military strength. Japan, for example, is helping China develop a capacity to produce special metals such as aluminum, magnesium, titanium, cobalt and nickel which are necessary for the building of modern aircraft and for ballistic missile development. Thus Japanese leaders do not see any reason to get excited over minor

U.S. military-related exports that do not in any case threaten Japan, even though the seriousness with which some Americans see such military assistance, or the threat of it, as a powerful constraining factor on Soviet behavior is widely viewed as naïve.

At the present time there is a strong complementarity in U.S. and Japanese policies toward the PRC. As has often been pointed out, this is one of the few periods in modern history when the United States has had positive and friendly relations with both China and Japan. But whether this complementarity prevails in the future largely hinges on the evolution of Sino-American relations. Japanese leaders do not accept assumptions popular with some American leaders about the feasibility of managing China relations for purposes of constraining the Soviet Union, nor do they accept the view that a major effort to build up Japan's military capabilities would contribute to maintaining the balance of power in East Asia. Japan will go along, up to a point, with American policy toward China for all the reasons mentioned above and, most of all, because of the simple fact that Japanese continue to view close ties with the United States as absolutely essential to their country's security. But, to repeat, there is a clear limit to Japanese willingness to be drawn into any effort to align the United States, China and Japan in an anti-Soviet entente. Such an effort could well lead Japan to try to repair its relations with the Soviet Union, especially if Western Europe, and West Germany in particular, move away from Washington on Soviet policy and toward accommodation with Moscow.

IV

Up to this point we have been discussing Japanese attitudes largely in terms of leadership groups. However, the specific issues of Japan's own defense posture have now engaged the wider Japanese public. Both Japanese leaders and the public at large are giving military issues more serious thought than has been true for many years, with matters long treated as taboo more openly discussed, and with movement toward a strengthening of Japan's military capabilities.

Overall, support for the security treaty and for the existence and gradual strengthening of the self-defense forces has markedly increased. The political opposition has now for the most part accepted the treaty and recognized the legitimacy of the self-defense forces. Even the Socialist Party has moved to a position of defending the status quo, though it retains a formal commitment to unarmed neutrality in its official doctrine. But growing support

for a Japanese defense role still leaves the crucial issue of how much, and how fast, Japan should expand its defense capabilities, and this question has generated enormous public controversy. Public opinion surveys show increasing public support for a strengthening of the self-defense forces but they also show an increase in support for Article Nine of the constitution—and they give no indication of change about desirable priorities in government expenditures, which still overwhelmingly favor increased social welfare-related programs and a limited defense budget.

Within mainstream Japanese leadership opinion, one can identify three major viewpoints concerning Japan's defense policy. One group sees a growing Soviet threat, diminishing U.S. power and credibility, and the opportunity and desirability for Japan to develop its own *autonomous defense* and to move away from what is perceived as a subordinate relationship to the United States. Another, well reflected in the Inoki commission report cited above, argues that the Soviet threat is real and that Japan can and should do more to contain it *by gradually increasing defensive capabilities within the context of the U.S.-Japan alliance*, an alliance essential to securing Japan's national interests. A third group adopts a *minimal response* position, arguing that the major threats to Japanese interests come not from the Soviet Union but from the vulnerabilities inherent in an economy totally dependent on outside sources for its food, energy and raw material supplies, that Japan's most important relationship is the one with the United States, and that Japan's defense buildup therefore should be the minimum necessary to avoid a crisis in Japanese-American relations.

Among these three groups, it is largely the views of the minimal response group, well represented in the bureaucracy and among the political leadership, that have been most influential in formulating Japanese defense policy to date. But the balance has been shifting. The Afghanistan invasion in particular appears to have reinforced and made more widespread Japanese awareness of the essentiality of the U.S. alliance for Japan's well-being, hence weakening at least at the current time the appeal of the supporters of autonomous defense and strengthening the position of those who advocate greater Japanese efforts within the U.S. alliance context.

However, one should not exaggerate the degree of movement toward a more forthcoming defense posture or underestimate the domestic opposition to major departures in Japan's defense policy. Voices within the conservative establishment that have for a long

time spoken of the desirability of Japan developing greater military power are now heard more loudly but, contrary to the impression conveyed in much of the Western press reporting on the Japanese defense debate, they remain a minority within leadership circles and obtain little support among the population at large. There is not much evidence that Japan can be pressured to do considerably more in expanding its defense capabilities than it currently plans to do, or that the deterioration in the international security environment that was both symbolized and furthered by the invasion of Afghanistan will shock Japan into doing more.

For one thing, many Japanese leaders feel that they are already making a substantial effort. The real rate of increase in defense expenditures over the past decade has been higher than that of America's European allies, not to mention the United States itself, and in 1980 and 1981 the increase in spending on defense was higher than the increase in the budget as a whole. Japan now contributes more than \$1 billion annually to the costs of U.S. forces in Japan, and its forces are involved to an unprecedented degree in joint military exercises with the United States, including maritime self-defense force participation in 1980 for the first time in a Rim of the Pacific (RIMPAC) exercise that involved Canada, Australia and New Zealand as well as the United States.

Furthermore, the absolute size of the Japanese defense budget is large and the proportion going for procurement of new weapons and other equipment has been rising considerably faster than the increase in the total defense budget. Personnel expenses have declined from 56 percent of the budget in 1976 to 49.3 percent in 1980 while the budget share for procurement rose in the same period from 16.4 percent to 20.7 percent. The proportion of the defense budget allotted to personnel expenses can be expected to fall a little further assuming a continuation of a pattern of moderate wage increases for government employees (as well as in the private sector) and no major increases in the size of the land self-defense forces.

But it is equally evident that Japanese defense efforts, even in the aftermath of Afghanistan, have been extremely limited. While it is true that in fiscal year 1980 Japan spent approximately ten billion dollars on defense, making it number eight in the world in terms of absolute outlays, this amounted to only 0.90 percent of gross national product (GNP) and translates into a per capita expense of \$87 compared to \$520 for the United States and \$396 for West Germany. The Japanese defense budget has quadrupled

in the past ten years (from 569.5 billion yen in 1970 to 2230.2 billion yen in 1980), a growth rate averaging seven percent annually in real terms, but defense expenditures as a percentage of the national budget have steadily declined (from 13.61 percent in 1955 to 7.16 percent in 1970 and 5.24 percent in 1980).

The Suzuki government, prior to the Ministry of Finance compilation of a draft budget for the fiscal year 1981, announced that the Defense Agency would seek a 9.7 percent increase in its budget compared to the 6.5 percent increase it received in 1980 and an MOF ceiling of 7.2 percent for other ministry requests for increases in the 1981 budget. But when the budget finally was compiled it contained an increase of only 7.6 percent for the Defense Agency. On the one hand, this is the first time in the postwar period that the percentage increase in the defense budget was as large as that for social welfare-related programs, cut from a 9.8 percent increase in 1980 to 7.6 percent in the proposed 1981 budget. But it also is only the second time in recent years (1980 was the first) that the annual increase in defense expenditures will have fallen below ten percent. This makes it doubtful that Japan will achieve the buildup goals specified in the Defense Agency's 1979 midterm program estimates even within the five years originally projected, much less in four years as the Carter Administration had been urging.

The growing gap between American expectations and Japanese performance in improving Japan's military capabilities is a problem that is in large part of Japan's own making. Mainly out of a desire to placate American opinion and to demonstrate their intention to expand defensive capabilities over the long run, Japanese government leaders tend to emphasize to foreigners not why they believe the government's defense policy is appropriate but rather why more time is needed to educate public opinion to the necessity of greater military efforts. Since the implication of this stance is that their defense policy is not rooted in a coherent doctrine, but simply represents the maximum effort possible given the state of public opinion, it only invites American government leaders to press that opinion forward by demanding a speeding up of defense expansion plans. And when influential Japanese journey to Washington to impress upon American officials the importance of outside pressure in moving Japan forward on defense, the temptation to exercise such pressure becomes virtually irresistible.

How to approach the issue of Japan's defense is one of the central questions facing the new U.S. Administration. It is not

that the defense issue has now suddenly emerged as a potential source of friction in the Japanese-American relationship; it has been a troublesome one throughout the postwar period. But in the 1950s and roughly through the middle of the 1960s Americans generally assumed that they could afford to pay for Japan's "free ride"; and in the 1970s, with the United States preoccupied with economic issues in its bilateral dealings with Japan, differences over the issue of Japan's defense efforts were seen largely as a "spillover" effect of frustrations created by the intense quality of many of the economic disputes that characterized the relationship. But in the 1980s, given Japan's economic strength and the United States' economic problems, the increase in the Soviet Union's military power relative to that of the United States, and almost certain American demands on NATO countries to make greater military efforts, the issue of Japan's defense policy is likely to come into its own. If not carefully managed, it could result in a reverse "spillover"—with Japanese resistance to demands for a greater military effort adversely affecting American, and most particularly congressional, attitudes toward Japan not only on defense but on other issues in the relationship as well.

How far, and in what terms, is it reasonable for the United States to press Japan on this issue? Let us look first at two fundamental judgments that have long guided the thinking of successive American administrations—and which I believe remain basically correct today.

The first of these is that a major and rapid Japanese expansion of military capabilities and a broadened definition of the mission of the self-defense forces to give them a regional security role would represent a fundamental reordering of the power balance in East Asia in ways that would not only raise the level of tensions with the Soviet Union but also arouse fears among other Asian countries about Japanese intentions. Although the non-communist countries in the region are no longer as fearful as they once were of a Japanese military role per se, I believe they would view with intense apprehension any Japanese effort to play a regional role.

Secondly, welcomed or not, the Japanese simply are not going to play this kind of regional role, at least not for several years to come. People who argue that the Japanese are poised for a military takeoff and who see the possibility for constitutional revision in the near-term future are either engaging in wishful thinking or are giving more credit for influence than is deserved to a highly vocal minority element in the Japanese conservative camp.

I would maintain that the only conceivable development that would galvanize Japanese public opinion to support a greatly expanded military role would be a radical decline in American strength and commitments and an almost total collapse of American credibility. One hardly need note that there would be nothing more destabilizing to the security of the East Asian region than the spread of such perceptions. In Japan they would strengthen the advocates of autonomous defense rather than the supporters of a close U.S. alliance, they would result in policies that would raise the level of threats to Japan, and given the fact that they would be premised on and made possible by the decline in American power, they would be part of a general deterioration in the security environment in East Asia.

It follows that the United States should avoid policies and postures that deliberately or inadvertently encourage declining confidence in American commitments and contribute to an exaggerated perception of U.S. weakness. It is for this reason in particular that proposals such as having the Japanese build two aircraft carriers and lend-lease them to the United States are less than attractive.³ Neither Japan nor other Asian countries would be reassured by the presence in the region of two carriers under the command of a country that did not have the ability to mobilize the economic resources or the political consensus necessary to build them. There is, after all, no substitute for American power in the region. Japan can supplement but not substitute for it, and though this is not always an easy distinction to make, it is an important one to maintain to the extent possible in considering East Asian security and Japan's role in it.

Overall, a slow and steady increase in Japan's military expenditures, directed to the strengthening of its air and naval defense capabilities in particular, would in my view serve U.S. interests well. Of course, Japan could do more to speed up the implementation of its defense expansion plans—especially to improve its mining, patrol, surveillance and anti-submarine warfare capabilities and its air defenses—and bilateral consultations to seek ways to increase areas of cooperation between American and Japanese forces in the sea and air spaces surrounding Japan should be pursued. But it seems to me doubtful that much would be gained by visible American pressure for a more rapid development of Japanese military capabilities.

There are of course other contributions Japan could make.

³ See, for example, George Ball, "Reflections on a Heavy Year," *Foreign Affairs*, "America and the World 1980," p. 497.

While the Status of Forces Agreement between Japan and the United States does not oblige Japan to do more than it currently is doing to pay costs for maintaining American forces in Japan, it does not preclude them from doing more. Further Japanese financial support for maintaining these forces would be an important contribution to the alliance. Japan also could do more in the way of buying "off the shelf" American weapons systems and other necessary material rather than emphasizing, as current policy does, licensing arrangements and expanded domestic production.

Japan also could make more generous contributions than it has so far in non-military aspects of comprehensive security, in the area of economic assistance, for example, or in massive investments in large-scale projects to develop new energy resources. In 1980 Japan allotted 0.31 percent of GNP to official development assistance. Though this was a sizeable increase over the previous year's 0.26 percent, it still left Japan below the 0.36 percent average for the countries in the Development Assistance Committee of the OECD; even present Japanese government plans to double official assistance in the five-year period from 1981 to 1985, given current projections of Japanese economic growth rates during this period, are not likely to result in a significant increase in the percentage of GNP Japan allocates to assisting the less-developed world.

But by all odds the most constructive step the Reagan Administration could take, in my judgment, would be to encourage the Japanese to define their security role for themselves. And this gets back to the importance of engaging Japanese leaders more fully in careful consultations about regional and global security matters. The objective, in other words, should be to change a deeply entrenched postwar pattern of Japanese-American security relations, in which Japanese leaders ask the United States what it wants them to do and then, after feeding this American "demand" through the domestic political system, emerge with a "concession" that leaves everyone dissatisfied and resentful.

This is a pattern that cannot be changed suddenly—both sides have been too comfortable with it for too long. But it is a pattern that, if continued, can only lead to increasingly serious difficulties and misunderstandings. And, above all, it is a pattern that simply does not accord with the realities of Japan's present power. Rather, with both countries still deeply committed to the alliance relationship, it is time for Japan to formulate its security policies, not on the basis of responses to the United States asking, or pressing, Japan to do more to "help" a weakening America, but in terms of

how the world's two wealthiest democracies can cooperate to secure their mutual and common interests.

I do not mean to underestimate the difficulties involved in moving in this direction. The postwar relationship, after all, has been an exceedingly successful one and the temptation for the leaders of both countries to stick to time-tested approaches in dealing with each other remains strong. But surely there can be little doubt that new approaches are called for if the security policies of both countries are to evolve within the context of a healthy alliance relationship.

v

What is the domestic political environment within which Japan is formulating its security policies? In particular, what are the prospects for continued rule by the Liberal Democratic Party and what kinds of men are likely to be in power in the coming years?

The results of the June 1980 Japanese Diet elections were surprising in the extent of the LDP landslide but not in the victory itself. Public opinion polls indicated that support for the party was growing, and even in the 1979 lower house election, though the LDP failed to enlarge the number of seats it controlled, its share of the popular vote increased for the first time in the party's 25-year history.

Essentially, it is now clear, the LDP has accomplished an extraordinary feat, over the nearly three decades of its existence, in shifting its base while maintaining a high level of popular support. Support for the party nationwide, as measured by public opinion surveys, is about the same in 1981 as it was in 1955, at a little less than 50 percent. But it has been transformed from a party that in the 1950s relied heavily on big business and the "old" middle class of independent farmers and owners and workers in family and other small businesses into a party that now is the most widely supported by the new urban middle class and which draws most of its support from among white and blue collar workers.⁴

⁴ A few figures will indicate the extent of this shift. In 1960 farmers and merchants and the self-employed, according to *Asahi Shinbun* figures, made up 68 percent of LDP supporters (43 percent farmers and 25 percent merchants and the self-employed) while white and blue collar workers accounted for only 28 percent of LDP supporters, the remaining 4 percent of its support coming from those unemployed. Today more than half of the LDP's supporters are blue and white collar workers, while farmers account for less than a fifth and merchants and the self-employed for about a quarter of the party's supporters. In other words, the LDP has been able to shift its base of support away from the rural electorate (which still gives it overwhelming support but accounts for a much smaller proportion of the electorate than in the 1950s) and to the new urban electorate. In the 1980 lower house election 44.5 percent of the LDP's total vote came from urban and metropolitan constituencies, 37.7 percent from semi-urban areas and only 17.8 percent from rural constituencies.

Moreover, recent polls show that the LDP gets greater support than does any other party from every age group, every occupational class, and every group measured by number of years of education. Growth in support for the LDP has been particularly strong among young, urban, well-educated voters. In the early 1960s, for example, the Socialist Party obtained more support from urban, college-educated voters in their twenties than did the LDP. Today support for the LDP among this group exceeds that for any of the other parties. The LDP remains the party of big business and farmers, but today it is much more than that: it is the only "catch-all" party in the country whose appeal reaches out beyond a narrow support base.

Japan's opposition parties, on the other hand, not only face difficult political problems such as recruiting attractive leaders, moving away from increasingly anachronistic but time-sanctioned policy positions, and developing more cooperative relationships among themselves, but their traditional sources of support are being weakened by broad social and economic developments in the country. Massive immigration into metropolitan cities, for example, has now largely stopped; in fact the populations of both Tokyo and Osaka declined between 1975 and 1980. People who came to the cities in the 1950s and 1960s have now established communities which partake of many of the features of more rural and "traditional" Japanese communities, particularly in their intricate webs of social relationships. These social networks plus steady, albeit lower, economic growth and greatly expanded government social welfare programs have reduced much of the anxiety and insecurity that often accompanied immigration into major urban centers and formed the basis for a considerable amount of opposition party appeal.

The future does not look bright, in other words, for the Socialists, the Komeito or any of the several smaller opposition parties. While some of them may become the beneficiaries in future Diet elections of voter dissatisfaction with the LDP, it is hardly plausible to expect that any of them would be able to enter a government not dominated by the LDP. For the foreseeable future the LDP will retain power and provide Japan's political leadership.

This decade is seeing a major change in LDP leadership, as a large number of politicians who were able to enter the Diet in the late 1940s are now approaching the end of their political careers. The men who are now coming into power are neither more nor less nationalistic than the ones they are replacing, nor do their policy orientations differ in fundamental ways; what is more

important in this regard is the shift that has occurred in attitudes and in policy orientations that cut across generations.

But the new leaders in the LDP do share certain characteristics which differentiate them from their predecessors—and, interestingly, from the new generation of leaders that is emerging in the business community or in the bureaucracy, many of whom have had extensive international experience and are cosmopolitan, fluent in English and comfortable in non-Japanese settings. Many, though by no means all, of the new political leaders come out of long involvement in professional political life rather than from careers in the central government bureaucracy such as characterized many of their predecessors. Like those who have served before them, however, almost all of these new leaders are from rural or semi-rural parts of the country, a consequence not so much of the rural orientation of the party or of district imbalances that favor rural areas, but because seniority, measured in terms of the number of times elected, remains a critical factor in leadership recruitment. Since the party was a predominantly rural party in the 1950s and early 1960s, those Dietmen who now have the most seniority come from rural districts, and it will not be until sometime in the 1990s that the LDP shift to a more urban base will be reflected in its leadership.

Most of these new political leaders have over the past decade sought important party rather than cabinet posts; where they have served in the cabinet, it has been in ministries that have a primarily domestic focus. Very few of them have extensive international experience or close personal relationships with foreigners, in the United States or elsewhere. Thus, while they may not be any more nationalistic than their elders, many of them are less internationalist—unaccustomed to extensive contact outside Japan and not deeply familiar with many of the critical issues of importance to Japan. Consequently, in a country for which foreign relations are critical and in a society in which personal relationships are carefully cultivated and play an extremely important role in decision-making processes, there is emerging a new leadership group that has neither close personal links nor deep experience with the outside world.

It is not entirely clear how such leadership characteristics will affect policy but, given the complexity of many of the issues that confront Japanese policy-makers and the relative lack of policy expertise among these new leaders, there may be an increasing tendency to rely on the bureaucracy to provide the lead in determining policy. Strong bureaucratic intervention in the policy

process has been true in the past as well, but it can have rather different consequences in the 1980s than it had in past years.

Through most of postwar Japanese history the bureaucracy has gone about its business within a framework of clearly defined national goals and foreign policy priorities, its efficiency in making day-to-day decisions and in implementing government policies made possible by the existence of such a framework. But in Japan as elsewhere it is only the political leadership that can structure the consensus that must exist if bureaucratic institutions are to avoid adopting inconsistent and contradictory policy orientations. In the absence of such leadership Japan will drift with the trends of the time, with its cautious, time-consuming and reactive patterns of decision-making unable to adjust to a situation in which expectations are high that Japan will play a more dynamic leadership role in a variety of international forums and on a wide range of international issues.

Thus, if the 1970s are any guide to the kinds of issues that will confront Japan in the 1980s, there are likely to be an increasing number of foreign policy issues that will be left initially to the bureaucracy to handle, only to escalate into major political controversy; the political leadership will have little choice but to enter into the fray. And, as the older generation of politicians who have dominated the highest positions in the government and the party leaves the scene, the absence of close personal relationships abroad and the lack of extensive international experience, combined with the forceful personalities and the self-confidence that characterize many of the most outstanding new leaders, could lead to a pattern of decision-making for which the outside world, and the United States is particular, will be ill prepared. The reliance, for example, on the exercise of often heavy-handed outside pressure to force Japan to adopt certain policies is apt to come up against much stronger resistance than was true in the past.

The lack of sophistication about international affairs that characterizes many of these men can be corrected to some extent by experience. But the lack of close personal relationships between them and American leaders could be more troublesome, given the emotions generated by conflicts over economic and security policies that seem sure to beset U.S.-Japan relations in the 1980s. One of the most important tasks facing both countries in this connection is to expand the range of contacts and increase the lines of communication between policymakers and influential publics in the two societies.

Expanded contacts do not invariably lead, however, to im-

proved communication. If new or revitalized consultative mechanisms are to play a significant role in the relationship, their establishment will have to be accompanied by a willingness to share information and responsibility, to take a more than short-run view of the agenda of policy issues, and to allocate to the process the time and the human resources necessary to make it meaningful.

Unfortunately, recent American administrations have done little to foster a relationship with Japan in which such consultative processes could be fruitfully developed. Nor would it be easy for the United States to do so given the woefully inadequate number of senior government officials with specialized knowledge of Japan or extensive experience in dealing with that country. Yet, if opportunities for U.S.-Japan cooperation in meeting a myriad of problems are to be maximized rather than lost, and if the United States is to affect in a positive and constructive manner the evolution of Japan's international role, the Japan relationship will have to be accorded the top priority it clearly deserves.

VI

To sum up, Japanese foreign policy has become more independent today than it was in the recent past and, for the most part, this evolution has occurred within a context where the pursuit of Japanese national interests has been congruent with American interests. There is a fluidity evident in Japanese thinking about security but there is also a continuing and, if anything, more widespread recognition of the importance of the U.S. alliance. For Japan, autonomy and alliance need not be and are not currently antithetical.

But an analysis of present Japanese security policies provides little room for complacency about trends in the bilateral U.S.-Japan relationship, even on issues where there presently exists a considerable commonality of views and policies. The nature of the alliance has changed in fundamental ways, and since neither party to it can any longer assume that the other's future behavior will be determined by its past actions, it must be managed differently than it has been up to now. Public hectoring and heavy-handed pressure tactics cannot form the basis for a strong alliance, any more than can a posture that seeks to postpone coming to grips with potentially serious problems in the relationship in the hope that they will disappear. Obviously there are contrasting and deeply engrained cultural styles involved here. But such difficulties can be surmounted, if there is the political

will to do so.

It is essential for the United States and Japan to develop a more extensive range of consultations not only on strictly bilateral matters but on broader East Asian security questions and other issues of mutual concern that fall outside the bilateral relationship. But consultations, if they are to be meaningful, will require a degree of commitment that as yet appears lacking in both countries.

Although Japanese leaders, like their European counterparts, recently have been emphasizing the essentiality of greater U.S. consultations with its allies, Japanese in fact exhibit considerable ambivalence in their desire for consultations. While wanting to be consulted on issues where policy formulated in Washington commits them to policies that incur risks and costs, such as the Olympic boycott or economic sanctions against the U.S.S.R., it is not so clear that they want to be consulted on issues, such as the desirable shape of a Middle East peace settlement or weapons exports to the PRC, where the process of consultation itself involves risks.

We have noted the major obstacles to the United States structuring a meaningful, rather than a cosmetic and largely formalistic, consultative relationship with Japan. But the central thrust of U.S. policy should be to develop such a relationship, based on the recognition that a strong alliance with Japan is vital to securing American national interests.

*Gerard Smith
and George Rathjens*

REASSESSING NUCLEAR NONPROLIFERATION POLICY

The possibility that additional nations, or even terrorists, might get nuclear weapons has been a cause of deep anxiety ever since the first atomic weapon was exploded in 1945. It has been the subject of one important treaty (the Nuclear Non-Proliferation Treaty, or NPT) and more recently preventing proliferation was one of the central objectives of the Carter Administration, in an effort that generated intense controversy. Today an assessment of that effort is important because nuclear proliferation continues to be a most dangerous prospect in the coming decades—deserving of as much attention as the Soviet Union and the national security risks arising from dependence on foreign oil, as well as the basic economic problems of high inflation and low productivity.

The Reagan Administration clearly faces a legacy of unresolved proliferation problems. In several non-weapons states construction continues on facilities useful for producing weapons-grade material. And serious differences persist among the major exporting countries over conditions for international commerce in nuclear materials and technology.

One of the basic elements of the controversy has concerned the linkage between weapons potentials and the spread of nuclear power facilities. This was the cornerstone of the Carter Administration's approach. It is unquestionably of central importance in assessing the dangers of access by terrorist or other subnational groups to weapons-grade materials. But in the case of weapons acquisition by nations, which has been the main concern of U.S. policy (and is our principal concern here), the significance of nuclear power facilities is more debatable and may even be of secondary importance, since nations can build plants specifically for weapons programs, as all the present weapons states have done.

Gerard Smith was Chief of the U.S. Delegation to the Strategic Arms Limitations Talks (SALT) from 1969 to 1972, and has recently published *Doubletalk: The Story of SALT I*. From 1977 to 1980 he was Ambassador at Large and Special Presidential Representative for nonproliferation matters. George Rathjens is a Professor of Political Science at MIT; he served as Ambassador Smith's deputy in 1979–80.

It has been argued, in these pages and elsewhere, that nuclear power is uneconomic as an energy source, and that the linkage between nuclear proliferation and power facilities is so central and inescapable that the expansion of nuclear power should be slowed down and opposed even to the point of its eventual elimination.¹ And there has in fact been a substantial drop in construction of nuclear power facilities. However, industrialized and developing countries alike continue to feel a need for nuclear power as one of the important options in coping with their energy problems. This is a view that we share. We do not believe that the demise of nuclear power is likely or desirable, or that it can be either a necessary or sufficient condition for coping with weapons proliferation.

We believe that with the experience of the last 20 years, and particularly in light of the Carter Administration's determined effort to establish a new world consensus on this subject, it has been demonstrated that major revisions in the policy of the United States and other nations are now required. This is not to say that progress in world understanding of the problem has not been made, or that the efforts of the Carter Administration have been without significant successes. But we believe that assessment of past policy can only lead to the conclusion that it was flawed in important respects and that a significant change of course is needed.

Let us start with the experience of the last four years—in which we were active participants—and then see how this vital task might be addressed more successfully.

II

The Carter policy had its roots in two developments in the 1970s. In 1974, India exploded an atomic device and became the sixth nation in the world with a nuclear-weapons potential. And in the aftermath of the oil embargo of 1973, with the sharp price rises that followed, it was believed that nuclear power facilities would be rapidly expanded throughout the world, and that the danger of their misuse to produce weapons potentials had taken on a new dimension.

Such concerns are not new. But during the 1960s there had developed expectations among the major industrial powers that international arrangements would limit the risks. Under the NPT, which entered into force in 1970, non-weapons states which signed

¹ Amory B. Lovins, L. Hunter Lovins and Leonard Ross, "Nuclear Power and Nuclear Bombs," *Foreign Affairs*, Summer 1980.

the treaty foreswore nuclear explosives and agreed to accept inspection by the International Atomic Energy Agency (IAEA) of their nuclear programs to verify that material was not being diverted to military purposes. In return, the treaty assured them that there would be no limitation on nuclear commerce or on the spread of nuclear facilities, and that the full development of nuclear power would be assisted and promoted.

There were two weaknesses in the NPT regime. First, a number of nations with substantial nuclearpower programs did not accede to it—notably India, Pakistan, Brazil, Argentina, South Africa and Israel.

And second, by the late 1970s it appeared to many, including the U.S. government, that the treaty was inadequate even for parties to it, because inspection alone might not provide “timely warning” of diversions for nuclear-weapons purposes. The principal reason for this concern was the likely spread of facilities to reprocess the spent fuel from reactors in order to separate the plutonium produced during power generation in addition to the unconsumed uranium. Such reprocessing had up to then been generally assumed to be desirable in order to economize on the use of limited uranium resources. With such reprocessing and reuse of the separated material in reactors (called thermal recycle), uranium requirements could be reduced by about 35 percent, assuming the continued use of thermal reactors of the types then and now predominant. And in the case of more advanced “breeder” reactors, uranium requirements could be even more radically reduced, so that many major nations saw the “breeder,” using plutonium fuel and ultimately meeting its own fuel needs by the breeding process, as the long-term means for making nuclear power the central element in their energy programs.

Once plutonium is separated, it can be used for weapons manufacture. In fact, the production and separation of plutonium are widely regarded as the most difficult tasks in the making of fission weapons. If reprocessing were to become widespread, plutonium would accumulate and enter into world trade. A “plutonium economy” would result. Diversion of the relatively small amounts required to begin weapons programs might escape detection by a “safeguarding” inspection system. And there could be little time between detection of diversion or termination of safeguarding arrangements and production of nuclear weapons.

Uranium enrichment facilities also raised concerns. A majority of the world’s power reactors are of “light-water” design that requires that the quantity of the uranium isotope 235 be increased

from the naturally occurring 0.7 percent to about three percent.² The supply of enriched uranium is therefore a major factor in international nuclear commerce, and although the United States and the Soviet Union had in the past met most of the world's needs, it seemed likely that enrichment facilities (then under construction in Europe) might be built in a number of additional countries. Even when such facilities are designed to produce only three-percent enriched uranium, they can be used to produce more highly enriched uranium useful for weapons purposes.

The dangers of an emerging "plutonium economy"—and, with somewhat less priority, the spread of enrichment facilities—were forcefully presented in 1976 in private studies, notably the Ford-Mitre Report.³ In late 1976, the Ford Administration accepted these arguments and announced that the United States would forego the reprocessing of spent fuel and the export of enrichment and reprocessing technology. The same rationale supported the policies adopted in early 1977 by President Carter, who also announced a reorientation of the American breeder-development program. Commercialization was to be deferred and a major demonstration reactor (Clinch River) was to be cancelled.

Furthermore, the Carter Administration worked closely with members of Congress on the Nuclear Non-Proliferation Act of 1978 (NNPA). A number of members of Congress had already become deeply concerned, and these proponents actually sought even more restrictive conditions on the export of nuclear technology, services and materials than those proposed by the President. The legislation was a compromise, imposing severe unilateral American conditions on nuclear materials exported from the United States.⁴ Specifically, it was provided that non-nuclear-weapons nations wanting U.S. enrichment services, nuclear fuel and equipment, and sensitive nuclear technology must agree to have international safeguards on all their peaceful nuclear activities ("full-scope safeguards") and grant the United States "consent rights" over reprocessing and transfer to other countries of

² The principal competitor is the "heavy-water" reactor, which is attractive to countries concerned with assurance of supply because it uses uranium more efficiently than other thermal reactors and can operate on uranium of naturally occurring isotopic composition. It requires, however, water containing nearly 100 percent of the heavy-hydrogen isotope, deuterium, as compared with 0.016 percent in ordinary water. Production of this involves sophisticated technology that is not yet widespread.

³ "Nuclear Power: Issues and Choices," Report of the Nuclear Energy Policy Study Group (S.M. Keeny, Chairman), Cambridge, Mass.: Ballinger, 1977.

⁴ For analyses of the Act see Frederick Williams, "The United States Congress and Nonproliferation," *International Security*, Fall 1978, and Ronald Bettauer, "The Nuclear Non-Proliferation Act of 1978," *Law & Policy in International Business*, 1978, pp. 1105-1180.

certain spent reactor fuel. This included U.S. supplies of enriched uranium fuel under new or amended nuclear cooperation agreements, as well as non-U.S.-supplied fuel used in U.S.-supplied reactors. Particularly difficult was the requirement that existing agreements for cooperation be renegotiated to meet these requirements. Although most of the existing agreements at the time of passage of the Act contained U.S. consent rights, there was a significant exception in the case of agreements with EURATOM, the European nuclear entity.⁵

The NNPA also contains a number of provisions aimed at increasing nations' confidence in access to fuel and enrichment services. It was hoped that motives for reprocessing, premature commitments to breeders, and development of independent enrichment capabilities would be reduced if assurance of supplies could be strengthened. Because it was widely believed, particularly in the Federal Republic of Germany and Japan, that reprocessing was highly desirable, if not essential, for disposal of the waste matter in spent fuel, the Act also calls for establishment of international spent-fuel storage facilities. (President Carter also suggested that the United States accept limited amounts of spent fuel for indefinite storage.)

In addition to the passage of the NNPA, the Carter Administration intensified an effort already initiated under President Ford to bring together the major Western industrialized nations with nuclear capacity in order to achieve common policies in the export of nuclear materials. The so-called Suppliers Club, acting with minimum publicity, was one forum for determined U.S. efforts to get other suppliers to forego new commitments to export reprocessing technology.

There was also convened, on U.S. initiative, an International Nuclear Fuel Cycle Evaluation (INFCE), which with participation of a large number of both industrialized and developing nations undertook a two-and-a-half year study to investigate alternative

⁵ The European Atomic Energy Community comprises Belgium, Denmark, France, the Federal Republic of Germany, Ireland, Italy, Luxembourg, the Netherlands, and the United Kingdom. The Act excepted EURATOM from the requirement that it grant U.S. reprocessing consent rights for two years, and, subject to its agreement to negotiate on that question, it permits annual presidential extensions thereafter.

The Act also includes a grace period, since expired, with respect to the implementation of its full-scope safeguards export requirement, and it allows provision for presidential waiver of this provision as well as for authorization of exports that the Nuclear Regulatory Commission refuses to license despite a positive executive-branch recommendation, if justified on nonproliferation and other security grounds.

Presidential extensions for EURATOM are subject to override by the Congress by joint resolution (in effect requiring a two-thirds majority in both Houses); the other waivers are subject to override by concurrent resolution (requiring a majority in both houses).

fuel cycles which might keep down risks of diversions to weapons production. INFCE's findings were not binding on governments, but they were to be considered in nations' policy formulations. Pending INFCE's conclusion, there would be something of a moratorium on nations' moving off in new directions in nuclear trade and power.

All these moves were widely discussed, and their antecedents and progress have been analyzed in previous articles in this journal.⁶ They highlight the U.S. preoccupation with nuclear power as the principal proliferation villain.

III

On the plus side, the Carter policy heightened concern, world-wide, about nuclear proliferation. A danger that had tended to lose attention in the mid-1970s—even after the Indian explosion—was dramatized and made a matter of much more urgent concern and priority, especially among the major industrial states. There have been some successes, notably the decisions by France not to go ahead with previous plans to supply reprocessing plants to Pakistan and South Korea. It seems unlikely that in the foreseeable future any of the supplier states will export reprocessing or enrichment technology, and it may even be possible to reach agreement that all future nuclear exports be conditioned on non-nuclear-weapons states accepting international safeguards on all their nuclear facilities.

The decline from the projected levels of expansion of nuclear facilities—a decline not foreseen or intended when U.S. policy was developed—furthered nonproliferation aims. As prospects for nuclear power darkened, demand for uranium and enrichment services became lower than anticipated in the first months of the Carter Administration. With uranium prices falling, the impetus for thermal recycle, commercialization of breeders, and the spread of enrichment plants has diminished somewhat. Arguments of the Carter Administration that thermal recycle would be uneconomic and that uranium resources would be sufficient to permit deferring breeder commercialization now seem even more persuasive.

And there have been political developments which, although

⁶ See Abraham A. Ribicoff, "A Market-Sharing Approach to the Nuclear Sales Problem," *Foreign Affairs*, July 1976; Paul L. Joskow, "The International Nuclear Industry Today," *Foreign Affairs*, July 1976; Joseph Nye, "Nonproliferation: A Long-Term Strategy," *Foreign Affairs*, April 1978; Victor Gilinsky, "Plutonium, Proliferation and the Price of Reprocessing," *Foreign Affairs*, Winter 1978/79; Thomas L. Neff and Henry D. Jacoby, "Nonproliferation Strategy in a Changing Nuclear Fuel Market," *Foreign Affairs*, Summer 1979; Pierre Lellouche, "International Nuclear Politics," *Foreign Affairs*, Winter 1979/80.

not the result of nonproliferation policy, have reduced motivations for the spread of nuclear weapons. A notable example is the U.S.-encouraged rapprochement between Israel and Egypt, which may have affected the possibility of nuclear weapons programs not only in these two countries but to some extent in the Middle East as a whole. Although that was not the primary reason for the U.S. initiative, nor even a much-noted likely consequence, it could prove to be, in the long run, an important nonproliferation breakthrough. And more recently, Argentina and Brazil have made a beginning on cooperation in nuclear fields. With clearer insights into each other's activities, there should be less concern in these two countries about possible commitments to weapons.

While these positive developments are encouraging, there have been at least five specific areas in which the Carter policy has fallen short of its objectives.

First, the reactions of most governments, and of the nuclear industry both domestic and foreign, have been negative. Only a few governments reacted favorably, notably Australia, which has large unexploited uranium resources but no near-term interest in nuclear power, and Canada, where reaction to the Indian nuclear explosion of 1974 had been strong (a Canadian-supplied reactor having been used to produce the plutonium). And Canada has little interest in either reprocessing or breeders, having even greater uranium reserves, relative to demand, than those of the United States.

However, the views of Japan and major West European countries have been largely unfavorable—a reaction intertwined with the predictable reaction of the nuclear industry, which perceived a threat to its exports and even to its viability. U.S. decisions to forego reprocessing and to delay breeder commercialization were construed as reflecting a generally negative attitude to nuclear power, a perception reinforced when President Carter characterized it as an energy option of last resort. U.S. industry saw these decisions and the new nuclear trade restraints as competitive disadvantages, forfeiting U.S. leadership. At the same time, there was suspicion abroad that the changes were motivated by commercial considerations: by a desire to discourage development abroad of reprocessing and breeders, technologies in which the United States was falling behind.

More specifically, American arguments that thermal recycle would be uneconomic and that breeder commercialization could be prudently deferred until the next century were poorly received. While these judgments have been largely vindicated by events,

critics claimed, particularly during INFCE, that studies overestimated uranium producibility or gave undue weight to unproven and speculative uranium resources, while underestimating the likely demand for nuclear power. A more telling criticism was that such analyses were of little relevance to advanced industrial countries having small uranium resources. For them, total world reserves and aggregate producibility are much less important than assured access to adequate resources. They perceived a need for early breeder commercialization and saw U.S. efforts as naïve or even reflecting American insensitivity to their energy problems.

These reactions were particularly marked in the Federal Republic of Germany and in Japan, where the pressure for nuclear power was particularly strong (at least in official circles); in both cases, accession to the NPT had been politically possible only when those governments had obtained clear understandings that their freedom to develop all aspects of nuclear technology would be in no way abridged.⁷

U.S. protestations that its initiatives were consistent with the general purposes of the treaty and particularly with Articles I and II, which bar the transfer of weapons, control over them, or assistance in manufacturing or acquisition, fell on deaf ears. The United States has been charged with disregarding its obligations under NPT Article IV, which, it was felt, called not only for noninterference in, but support for development of, power-related technology in all countries party to the treaty.

The NNPA's call for renegotiation of existing international agreements if nuclear commerce were to continue not only gave offense but eroded confidence in the United States. It tended to promote desires for a greater degree of fuel-cycle independence. The issue arose strikingly during an inquiry about possible expansion of Britain's reprocessing capacity. Presiding Justice Peter Parker captured much of the sentiment about ex post facto changes in terms of nuclear trade by observing: "I do not accept that the best way to achieve a new bargain is to break an existing one."

As a result of these reactions, the Carter policy was unsuccessful in dissuading both Europe and Japan from proceeding with reprocessing and from continuing to develop breeder reactors—

⁷ In ratifying the NPT, for example, Germany called attention to formal U.S. statements that "there is no basis for any concern that this treaty would impose inhibitions or restrictions on the opportunity for non-nuclear-weapons states to develop their capabilities in nuclear science and technology. . . . This treaty does not ask any country to accept the status of technological dependency or to be deprived of developments in nuclear research. . . . The whole field of nuclear science associated with electric power production . . . will become more accessible under the treaty to all who seek to exploit it."

an area in which France has now assumed a clear-cut role of world leadership. In the case of Japan, serious friction arose because of Japanese desire to ship spent fuel (over which the United States has consent rights) to Europe for reprocessing and to reprocess other such fuel in a pilot plant in Japan. The United States acceded to such requests, but delays and cumbersome procedures irritated the Japanese, while the affirmative decisions were objectionable to some of the congressional sponsors of the NNPA. While plans of the Federal Republic of Germany for reprocessing have been scaled down (because of environmental opposition and not because of proliferation concern or U.S. pressure), neither it nor other countries interested in reprocessing and breeders have been willing to follow the U.S. lead of indefinitely deferring their commercialization. France, the U.S.S.R. and the U.K. are going ahead with reprocessing on a large scale and the FRG, Japan and possibly Belgium may follow.

Finally, despite U.S. pressures and the expenditure of considerable political capital, the Federal Republic of Germany insisted on going ahead with its previous commitments to assist Brazil in acquiring reprocessing and enrichment facilities. And the FRG and Switzerland have recently agreed to provide Argentina with a power reactor and a heavy-water plant, although Argentina is unwilling to forego reprocessing or to formally accept full-scope safeguards.

Second, the case of Pakistan not only presented special difficulties but appeared to confirm the argument of many critics that the Carter policy offered no way of dealing with cases where a nation without a need for reprocessing or enrichment plants for its power program nonetheless constructs such plants—presumably to create a weapons potential. Facilities for a small weapons program can be built in much less time than those for even a modest power program and at about one-tenth the cost. Even in nations committed to nuclear power but also wanting a weapons potential, construction of special weapons facilities might be preferable. Fuel remains in power reactors for long periods of time: several years. It is then more difficult to process than that from reactors dedicated to weapons programs. The plutonium produced, though usable, is much less suitable for weapons. Though “weapons-grade” plutonium can be produced in power reactors, it would result in degradation of reactor efficiency.

Aroused by the Indian explosion, Pakistan went ahead to acquire advanced enrichment technology on a covert basis from European sources. It was able to get well along toward an explo-

sives capability before the existence of this program became firmly established. Pakistan has also continued to build reprocessing plants.

The Pakistan case shows the inherent difficulty of any attempt to stop a nuclear-explosives program even when there exists "timely warning." The United States and other nations became fully aware of what Pakistan was doing, well in advance of the program's fruition (now expected to be in several years), but were unable to mount any concerted program that could dissuade the Pakistani government. The United States initially took a strongly disapproving posture, to the point of withholding economic assistance badly needed by Pakistan. But no other nation took similar steps, and when the Soviet invasion of Afghanistan brought the strategic position and importance of Pakistan to the forefront even the United States overrode its nuclear concerns in an effort to re-establish close military and security ties with the threatened Pakistani government. While the joint efforts of the supplier states may have slowed the Pakistani program somewhat by limiting the export of critical components, it has not been possible either to reduce Pakistani concern about its security, the rationale for its explosives-directed efforts, or to convince Pakistan that such efforts may in fact lessen its security. In any case, it continues its program aimed at an explosives potential.

Third, there was the recent test case of whether the United States should continue to supply nuclear fuel to India for use in her Tarapur light-water reactors. Acting under the NNPA, the Nuclear Regulatory Commission found that India did not meet the requirements for shipments already contracted for, because of her refusal to accept safeguards on all her nuclear facilities. The Administration took the position that the export-license applications for the fuel fell within the grace period of the Act, and in the end President Carter exercised his authority to authorize shipment of the fuel. Under the Act, the Congress could have overridden this decision, and in October 1980 such an override resolution carried in the House but narrowly failed of passage in the Senate.

The issue sharply divided the Administration from its own congressional allies in the drafting of the NNPA. In the end, it honored the long-standing supply commitment—arguing that to repudiate it could have led to India's lifting IAEA safeguards. But the episode did little to improve either the U.S. image as a reliable supplier or its overall nonproliferation posture.

Fourth, the results of the INFCE evaluation (published in March 1980) were, from the U.S. standpoint, disappointing—or at best

mixed. The hope that the proliferation problem could be dealt with, or at least mitigated, through “technical fixes”—a principal motivation for INFCE and an earlier Ford initiative, the Nonproliferation Alternative Systems Assessment Program (NASAP)—proved illusory. All reactors produce plutonium (or uranium-233, which is also a weapons-usable material), and if they are to use uranium (or thorium, the precursor to U-233) most efficiently, reprocessing is essential. By changing the design of a reactor and operating procedures, efficiency can be improved without reprocessing. But to the surprise of few in the technical community, neither NASAP nor INFCE came up with realistic fuel-cycle alternatives that would permit reprocessing and reuse in reactors while making access to weapons materials difficult for nations (as distinct from terrorists).

Fifth, there has been little movement with respect to the major positive provisions of the Carter policy (embodied in the NNPA) concerning fuel assurances and international spent-fuel storage. Expansion of U.S. enrichment capacity has been delayed, as there is now a buyer's market for enrichment services; there has been little interest abroad in the establishment of an International Nuclear Fuel Authority or in a “fuel bank” (and none within the Administration in allocating resources for them).

Interest has developed in an international plutonium-storage system (IPS). While some such system is envisioned in the Act, the United States has not been very supportive because of concern that its development would lend legitimacy to reprocessing and the development of a “plutonium economy,” and because of the belief, almost certainly correct, that conditions governing release of plutonium from an IPS to national custody that could be widely acceptable to other nations would be less stringent than the United States would like to see.

IV

The experience of the past four years has clearly fallen far short of the hopes originally entertained for the Carter policy. Some of the difficulties speak for themselves. But it may be helpful to analyze more specifically why the policy has had only limited success and has been in some respects counterproductive.

We began with the observation that U.S. initiatives have disproportionately emphasized nuclear power as a path to proliferation. The point is fundamental, and we will return to it again. But there are other flaws in the premises on which U.S. policy rests.

As the case of Pakistan demonstrates, even efforts to act on a

“timely warning” are likely to be ineffective—as indeed was the case earlier with India and Israel. Now Iraq may be moving toward an explosives potential. These examples do not mean that “timely warning” is an empty concept, but they surely raise questions about its value and whether U.S. policy should rely on it so heavily.

Next, how valid is the U.S. basic thesis that if nuclear power were based on “once-through” fuel cycles (no reprocessing), the risks of proliferation could be contained? Informed critics do not accept the American contention that once-through fuel cycles are preferable to those that involve reprocessing. They argue that if the main concern is manufacture of weapons by governments, not by terrorists, the radioactivity of fission products in spent fuel would not prevent nations from extracting plutonium required for a modest weapons program. It would be safer, they say, to reprocess spent fuel and feed the extracted plutonium back into reactors, than to allow it to accumulate in spent-fuel stockpiles, which they call “plutonium mines.”

Even if a nation feels secure about access to enrichment services and has no present interest in thermal recycle or breeders, it may want to get experience in enrichment or reprocessing on a small scale. The former is a difficult technology and the best choice between different approaches is not obvious. While reprocessing is more straightforward, and there is broader experience with it, at least on an experimental scale, it has become increasingly clear during the last half-dozen years that environmentally acceptable reprocessing of commercial fuel is not a simple matter. In view of these considerations and the relatively low cost of research and development, a nation with an interest in enrichment or reprocessing may want to acquire experience well in advance of commercialization. Unfortunately, pilot plants, or even research facilities, can produce enough material for a modest weapons program. But U.S. argumentation, and INFCE, failed to address this question, focusing largely on the economics and timing of commercial-scale activities.

But perhaps the most serious flaw in U.S. policy has been its emphasis on unilateral denial of nuclear materials as a form of leverage to prevent proliferation. There has been in U.S. policy a basic conflict, which antedates the initiatives of recent years, between denial of access to nuclear materials and a companion emphasis on assuring access to reactor fuel, so that recipients would rely on U.S. supply and be less motivated to acquire facilities and weapons-usable materials from other sources.

While the Carter Administration and Congress stressed the importance of supply assurances in policy and legislation, the emphasis was on denial: on attempting to prevent unwanted developments by restraints on international commerce, particularly by conditioning U.S. exports on other nations acceding to U.S. nonproliferation conditions on fuel-cycle activities. This approach led to a lowered confidence in importing nations about access to materials and technology, and so gave impetus to nuclear autarky. The result is likely to be a short-term reduction in proliferation risks—e.g., South Korea will not soon acquire reprocessing capability and in Pakistan it will have been delayed—but an increase in such risks over the longer term.

The U.S. denial policy is based on an inflated view of U.S. leverage. There was a time when the American lead in reactor technology, licensing arrangements with Japanese and European reactor suppliers, and a virtual monopoly on supply of enrichment services for the market-economy states gave the United States considerable leverage, but over the last few years the situation has changed significantly. The lead in technology has been largely lost, some of the licensing arrangements are at an end, and only 18 percent of EURATOM's enrichment requirements are U.S.-supplied, compared with 27 percent coming from the U.S.S.R.—a consequence in part of lack of confidence in the United States as a reliable supplier. In Japan, the United States is still the dominant supplier of enrichment services, and as pointed out above has consent rights (unlike the case with EURATOM) over the disposition of U.S.-origin spent fuel. Considerable theoretical leverage therefore remains, but it is probably illusory. While the United States can for a while exercise these consent rights as in the past (but with considerable irritation to Japan), we will not be able to insist for long on a different regime for Japan than is likely to obtain with EURATOM.

Ideally, international arrangements affecting nuclear trade should be as nondiscriminatory as possible, with conditions of trade, safeguards and permitted fuel-cycle activities being the same for nuclear-weapons states and non-weapons states. But in the real world this cannot yet be the case. National legislation prescribing universally applicable rules, even though it includes provisions looking toward special handling of exceptional cases, is bound to cause trouble—as did the NNPA of 1978.

Partly in reaction to the rigid and unilateral U.S. policy of recent years, attention abroad is now centered on a code of conduct to make international supply of fuel, technology and

services more predictable than at present, where the United States reserves a right to seek unilateral changes in the terms of agreements.

There are important reasons for having universal standards. Some key suppliers of nuclear technology will not impose proliferation-related conditions on exports unless assured that competitors will apply the same conditions. Sanctions are likely to be effective, if at all, only if major states act in concert. It will be politically easier for nations to accept constraints in the name of nonproliferation if there is widespread acceptance of them. But there are reasons for not pushing universality too far (as current policy does). Needs, and national perceptions of needs, for different fuel-cycle facilities vary from country to country. So will the risks of their misuse. Weapons development is a near-term danger in the case of some half-dozen countries. Another half-dozen are of concern for the longer term. But most countries should be seen as essential to the solution of the proliferation problem, not as elements of the problem itself.

It appears, unfortunately, that the emphasis on general applicability has had the result that policy initiatives of recent years, and the NNPA, have had little relevance to real proliferation problems. They have, however, proved a major irritant in relations with friendly countries heavily committed to nuclear power which offer no near-term proliferation risks.

In sum, while the last two Administrations and the Congress are to be credited for focusing world attention on proliferation, it is time to remodel the instruments for dealing with it, and to seek to alter the premises on which past policy was based.

v

We should start with a reminder—surely it need be no more than that for most readers of *Foreign Affairs* and for most government officials—that the best hope of stemming nuclear proliferation lies in dealing effectively with the motives that lead nations to want to have nuclear weapons. This is probably the only real long-term hope, if one assumes that a totally international Baruch approach is forever unreachable. The real nonproliferation successes of the postwar period have been in the establishment and maintenance of NATO and a reliable security relationship with Japan. Without them, there would probably have been either two or three more nuclear-weapons states, or a war to prevent that from happening. So first priority must go to reducing motivations to acquire weapons.

In those motivations, prestige may sometimes be a driving factor. But security is, and will be, the main consideration. The means for providing security are severely limited: guarantees, dispute resolution, allaying suspicions of aggressive intentions. The prospect of great benefits from success should encourage an immensely difficult diplomacy involving higher costs and risks than if the world were fission-free. For example, deterring the possibility of South Korea pursuing a nuclear option is an important additional reason for maintaining an American military presence in South Korea—a policy almost changed under the Carter Administration but reaffirmed in the end both by President Carter and now by President Reagan.

And, in the effort to deal with the motivations of individual nations to go nuclear, there is a second key priority that cannot be stressed too strongly. There may be some cases where unilateral action by the United States can be effective in reducing weapons motivations—e.g., the Israeli-Egyptian case—but, more generally, collective action will be needed if increases in national motivations are to be prevented, e.g., if an Arab-Israel nuclear arms race is to be avoided.

Security threats confront industrial democracies and much of the rest of the world, arising from differences with the Soviet Union and from the possibility of a collapse of international oil trade. We face an unstable world, breeding motivations to acquire, and maybe to use, nuclear weapons. Recent U.S. policy initiatives have been irritants in what would have been, and will be, in any case, a most difficult task of reconciling conflicting perspectives in the industrial democracies on how to cope with these other problems.

Third, we must not lose sight of the impact of the example of the United States and allied nations in terms of their own nuclear-weapons postures and especially in terms of progress toward limiting the so-called vertical proliferation of nuclear weapons by existing weapons states. The search for a comprehensive nuclear test ban treaty (CTB) is an example of our tendency to approach these other problems without reference to their proliferation implications. The CTB has been thought of primarily as a Soviet-American issue. A treaty has eluded us up to now because of concerns that the weapons development and confidence of one of the superpowers would suffer more than the other's. No weight has been given to the continuing proliferation dangers presented by the absence of a CTB and the nonproliferation advantages of such a treaty. A number of nations have justified non-accession to

the Non-Proliferation Treaty because it imposes different obligations on the weapons states than on the rest, but many non-NPT parties might accede to a CTB which would not involve any discrimination. Although it would not preclude some nuclear-weapons development, without testing a nation would have less confidence in devices it might construct; design would have to be more conservative, requiring more fissionable material per weapon; and there would be greater reluctance to build a weapons stockpile, all of which, cumulatively, could result in reducing the chances of new arms competition. Accession of the United States and the Soviet Union to a CTB would also lead to greater acceptance for the NPT, since it would moderate the claims of superpower noncompliance with Article VI of the NPT, which calls on them to try to make progress on arms control.

The same considerations obviously add urgency to the pursuit of strategic arms limitations, either through a revised SALT II or a new SALT III. And in its own defense planning the United States should carefully weigh nonproliferation considerations before deciding on the large expansion of its weapons-plutonium program now under consideration.

While there has been great emphasis on the possibility that nuclear power programs might lead to proliferation, U.S. policy has shown little awareness that reductions in nations' dependence on oil imports resulting from the use of nuclear power could cut proliferation risks. Nuclear-capable nations desperate for oil would be less likely to supply oil-producing nations with technology useful in weapons programs if their dependence on foreign oil could be reduced. More generally, reduced dependence could lead to greater international stability with consequent reductions in national motivations to acquire nuclear weapons.⁸

There are those who discount this consideration, claiming that nuclear power can make only a small and nonessential contribution to a nation's energy needs and that the preferred alternative to nuclear power is not the use of more oil.⁹ The United States, however, still uses for electricity generation a substantial amount of oil, which could be replaced with nuclear energy. For some of the other major industrial democracies and some developing countries, nuclear power is a strong alternative to the use of more oil and liquified natural gas for the generation of electricity for the next few decades, however well they may do with other

⁸ See David J. Rose and Richard K. Lester, "Nuclear Power, Nuclear Weapons and International Stability," *Scientific American*, April 1978.

⁹ Lovins *et al.*, *loc. cit.* footnote 1.

means of power generation and with conservation programs. Thus, aggregate demand for oil, not to mention its price and the seriousness of interruptions in international oil commerce, including the likelihood of war over oil, may well depend to a substantial extent on the development of nuclear power.

This is not to advocate unrestrained expansion of nuclear power as a solution to world energy needs. Far from it. While it has a role to play in many countries, particularly in reducing their dependence on others for energy, its problems have been unduly discounted, and it has been oversold, especially in the case of developing countries, only a few of which can realistically expect to have near-term electricity demand sufficient to justify generating plants as large as the smallest nuclear units now being built. Nuclear power will continue to be advocated in some countries where it would be undesirable on both economic and proliferation grounds. This tendency should be stoutly resisted with security and economic arguments. The results may, however, be unproductive if any nation or group of nations goes beyond persuasion and tries to impose its view about energy options, including nuclear fuel cycles.

Two questions remain. First, if nations decide to acquire weapons, in spite of other efforts to deal with their security concerns or other motivations, is there anything that should be done? And second, even absent such a decision, what should be done to try to influence the development of nuclear power so that the risks of proliferation will be minimized?

There is little to say about the first. Notwithstanding the poor record and the poor prospects for trying to prevent weapons acquisition by using denial and sanctions, there may be cases where they should be tried. They seem appropriate in the case of Pakistan. If similar cases arise in the future, it should be recognized that there will be difficult trade-offs between nonproliferation and other foreign policy objectives. But success will require both support from other supplier nations and sanctions going beyond constraints on nuclear trade.

Turning to the second question, one should aim to influence the character of national nuclear power programs, even where it seems unlikely that the governments involved would misuse them. Governments change; wars occur, and facilities built by one state may fall under the control of another; and there is the threat of access by subnational groups to materials used in, or produced by, power plants.

In contrast to the views of some governments and many in

industry, we continue to believe that there are significant differences in proliferation risks between different fuel cycles. The accumulation of stockpiles of plutonium and the spread of reprocessing and enrichment plants are undesirable; from a nonproliferation perspective they should be discouraged. But efforts to do this through denial are likely to be counterproductive. Any success is likely to be transient and achievable only at substantial long-term cost, possibly in terms of increased impetus for nations to move in dangerous directions and certainly in terms of worsened relations with other nations with which cooperation is important. To give an example: while the United States is probably right in contending that recycle of plutonium in present-day reactors will be uneconomic for many years and that breeder commercialization is premature for most nations, few countries with a serious interest in nuclear power are likely to forswear these possibilities, at least as research and development options. Heavy-handed American efforts to induce them to do so are likely to be ineffective at best and may backfire. Certainly, they will be resented, and they may be exploited by domestic proponents of these options where the weight of argument might otherwise go against them.

From the preceding arguments it should be clear that a fundamental element in any new U.S. policy is substantial revision of the Nuclear Non-Proliferation Act of 1978. Inflexible provisions for the export of U.S. nuclear materials should be modified so that the use of denials is left largely to the President as a matter of executive discretion. And the policy and law should be changed so that other nations can deal with the United States on a presumption that, except in the case of significant changes in proliferation risks, conditions on terms of trade will not be altered unilaterally.

In effect, these changes would shift the central emphasis of U.S. policy from unilateral denial to working closely with allied nuclear-capable nations and, with developing nations, relying on persuasion coupled with assurances of supply. Discouragement of the spread of reprocessing and enrichment, and the accumulation of stocks of weapons-usable materials, must be closely linked to recipient nations' feeling assured of supply of fuel and services, to economic self-interest, and to the development of realistic appreciation of the effect of moves that might be construed as leading to an explosives potential.

Although the United States has been unable to fulfill promises to help others dispose of their spent fuel, has made little progress on a fuel bank, and has found little interest in an International

Nuclear Fuel Authority, these concepts should not be abandoned. More promising opportunities lie, however, in long-term commitments for supply and in stockpiling by importing nations of uranium and enriched fuel. Much has been done on this score without government encouragement. With diminished demand for nuclear power, consumers find themselves with stockpiles or commitments for uranium and enrichment service that go a long way toward meeting future needs.¹⁰ With currently low uranium prices, long-term contracts and stockpiling offer economic alternatives to thermal recycle and breeder options as ways to reduce dependence on others for fuel. They should be encouraged.

But some reprocessing and accumulation of plutonium stocks will be inevitable. Two American moves would be desirable. We should support the establishment of an International Plutonium Storage System, even if the criteria for release are less stringent than we would like to see. The time has passed when it is persuasive to argue that U.S. participation in such a system would be undesirable because it might legitimize reprocessing. And a major effort should be made to reach a consensus among supplier nations that all future nuclear commerce will be conditioned on the purchasers' accepting IAEA safeguards on all their peaceful nuclear activities.

Neither the establishment of an IPS nor the broader application of IAEA safeguards can prevent the misuse of facilities or materials for explosives production. They can, however, provide greater transparency for nations' nuclear programs. If intent is seen to be benign, this will be useful in allaying concerns of others; if it is not, or if there is ambiguity, this will alert the rest of the world, as well as those in the nation in question who might oppose weapons development.

VI

During the last decade, and especially the past four years, nonproliferation concerns have been at the forefront of U.S. policy, and acceptance of their importance is now much more widespread among other major industrialized and nuclear-capable nations, and indeed in the world. Let us hope that the Reagan Administration does not backslide on this issue, which is central to American security. In pointing out the difficulties and flaws of the policy of the Carter Administration—some of which are of

¹⁰ Thomas Neff and Henry Jacoby, "World Uranium: Softening Markets and Rising Security," *Technology Review*, January 1981.

course much clearer in hindsight than they were at the time—our aim has been solely that of assessment and constructive criticism. The main point now is to digest the lessons of recent experience and to translate them into effective modifications of U.S. policy.

The keynote in that effort must be an emphasis on working closely with other nations. We should neither act alone nor dictate the paths others should take.

Lauren Soth

THE GRAIN EXPORT BOOM: SHOULD IT BE TAMED?

I am sorry to say that I see this ravishment of the soil continuing at a faster and faster pace in the past 25 years throughout the Midwest, because of the cheap food policy and extensive exportation of our farm products that are being advocated by our national leaders.

—Jim Sage, Iowa farmer, in testimony before the soil conservation subcommittee of the U.S. Senate Committee on Agriculture, August 15, 1980.

What many people do not realize is that the bumper crops are coming at the expense of the soil. I am increasingly concerned that the President and Congress do not fully appreciate that Iowa is really “paying” for our reliance on foreign oil, as Iowa farmers help with the balance-of-payments problem through our tremendous exports.

—Robert Lounsberry, Iowa state Secretary of Agriculture, in the same Senate hearings.

United States exports of grain are breaking the record again. Allowing for some overstatement by conservationist farmers of the case attributing soil losses to exports, there *is* such a case. It deserves public attention. This is a good time for it.

John Block, the new U.S. Secretary of Agriculture, helped start a state soil-conservation program in Illinois where he was Director of the Department of Agriculture. But his enthusiasm for free markets and exports appears to override his concern about soil losses. As a state official, he pushed for export expansion of corn and soybeans, which he raises on his own farm. When he was named to the Reagan Cabinet he said he favored lifting “immediately” the partial embargo on grain exports to the Soviet Union. “Expansion of exports,” he said, “is a key to a market-oriented agricultural policy.” At the American Farm Bureau’s annual meeting in New Orleans on January 12, 1981, he let himself go, declaring that “given the incentive, farmers will respond, and

Lauren Soth was the editor of the editorial pages for the *Des Moines Register and Tribune* from 1954 to 1975. He currently writes a weekly syndicated column, and is the author of *An Embarrassment of Plenty*, *Farm Trouble* and other works on agricultural policy, including the farm policy chapter in the 1960 Report of President Eisenhower’s Commission on National Goals.

people won't believe how we can produce so much." He said he would oppose any budget cuts in agricultural research or in promotion of exports.

Agricultural exports aren't exactly slumping, as one might think from Mr. Block's tone. In the current fiscal year (ending in September) grain exports will increase over the previous year's all-time high from 111 to 119 million tons (seven percent), according to U.S. Department of Agriculture projections. Exports of soybeans probably will be lower than the 1979-80 record, because of a 22-percent decline in 1980 production and expected increases in the early 1981 harvests of Brazil and Argentina. Still, the USDA's expectation is for the second highest soybean exports ever.

In all, agricultural exports are projected to reach 170 million tons, compared with 164 million in 1979-80. The dollar value will be about \$47 billion, a rise of 16 percent and an enormous credit for the U.S. balance of payments. This gain is occurring despite the world economic slowdown, short corn and soybean crops in 1980, and the partial embargo on sales to the Soviet Union. Clearly, the embargo, while it may have handicapped the Soviet Union in its grain import plans and cost it extra foreign exchange, did not slow the American farm-export boom.¹

Exports of grain and soybeans have been growing rampantly in the last 30 years.² The brief embargoes by Presidents Nixon and Ford, like that of Jimmy Carter, had no significant effect on the trend. In 1950, we exported only 15 million tons of grain, as compared with 119 million this year. The biggest growth has come in corn and soybeans (including processed soybean meal), the ingredients of meat, poultry, egg and milk production. Rising incomes in developing as well as developed countries have lifted demand for the high-protein foods derived from livestock. Soybean exports more than tripled in the 1960s and 1970s. Feed-grain exports (mostly corn) increased sevenfold!

We now export more than 60 percent of our wheat; more than half of our soybeans, cotton and rice; nearly a third of our corn.

¹ For an excellent review of this attempt to punish the Soviets for invading Afghanistan, see Robert L. Paarlberg, "Lessons of the Grain Embargo," *Foreign Affairs*, Fall 1980, pp. 144-62.

² The extraordinary rise in U.S. agricultural (and other) exports in the 1970s was partly caused by the decline in the exchange value of the dollar beginning in late 1977. Studies by the Treasury Department and by the Organization for Economic Cooperation and Development indicate that, with floating and therefore uncertain exchange rates, it takes up to 30 months for depreciation of the dollar to show up in increased price competitiveness of U.S. products in foreign trade. The sharp decline of the dollar in the first half of 1980 thus probably will support exports through most of 1981. However, the appreciation of the dollar in late 1980 and early 1981 may tend to reduce exports in 1982 and in later years if the Reagan Administration carries out its announced tough anti-inflation, tight-money policies. World demand for American grain undoubtedly will continue strong, despite a strong dollar, but demand pressure for further expansion in the trade may ease up.

"In terms of competition for land," writes Philip M. Raup, a University of Minnesota economist, "we have reached a degree of agricultural export dependency for which parallels can be found only in the Antebellum cotton South or in our Colonial era."³

The export expansion has called forth an expansion of land devoted to the export crops. All of the 50–60 million acres held out of production under government reward and penalty programs in the 1960s have been brought back into cultivation. In addition, other meadows and pastures have been plowed and planted with grains and soybeans. In 1950, American farmers exported crops grown on 50 million acres, 14.5 percent of the cropland harvested. By 1975, crop acres used for export had doubled to 100 million, and by 1978 had climbed to 133 million. That was a third of crop acres harvested. Since then farmers have further increased grain and soybean plantings. This year the USDA projects an increase of 14.6 million acres of wheat over the 1978 figure. Total feed-grain acreage will be down slightly, because of a switch from grain sorghum to wheat in the Great Plains, but corn plantings are expected to increase by 3.4 million acres over 1978. Soybean plantings are projected to increase by 5.9 million acres.

Part of the increase in grain and soybean land comes from continuous grain crops or, in the Corn Belt, from rotating fields only between corn and soybeans—instead of the old practice of including two years of oats and clover or alfalfa in every five- or six-year rotation. Chemical herbicides and insecticides make feasible these practices by controlling weeds and insects which otherwise would flourish in year-after-year plantings of corn and beans. However, this heavy cropping, especially in the case of intertilled crops such as corn and soybeans, greatly steps up the rate of erosion.

Soil erosion is a far more important problem in maintaining agricultural resources than the loss of land to agriculture for nonagricultural uses, an issue that has aroused popular alarm in recent years. The conversion of farmland to shopping centers, housing developments, highways and factories stirs the emotions of people worried about the world food shortage.

The government's recent National Agricultural Lands Study found that three million acres of farmland are lost to urban development each year. But only about one million of the three million acres are cropland. There have been massive shifts in

³ From a symposium on "The Future of American Agriculture as a Strategic Resource," published by the Conservation Foundation.

cropland region by region throughout history. The Northeast, Southeast and Southern Plains have lost cropland since 1939, while the North Central, Mississippi delta, Mountain and other regions have gained. Rising energy costs for transportation of fruits and vegetables from the Pacific coast may induce the return of some of New England's abandoned farmland to food production. Now that the land retired under crop-control programs has been brought back into cultivation, the nation's total area of cropland is about the same as in the 1920s and 1930s, around 400 million acres.

Vast additional areas could be brought into crop production by clearing, drainage and irrigation, but at high cost—and much of the land would be fragile, with thin soil especially vulnerable to water and wind erosion. It would be sounder national investment policy to protect our most productive cropland against deterioration.

Undoubtedly, the nation could continue to expand grain and soybean production, given favorable weather, by developing new cropland, applying better erosion control on all cropland, and by adding more fertilizer and pesticides—though probably not as robustly as Secretary Block suggested in the full exuberance of a freshman Cabinet officer at the Farm Bureau meeting. After all, the new cropland brought in would be much less productive than what farmers are planting now, and nearly all of the most productive land is already being farmed with the latest technology (except for erosion control).

The crux of the food-agriculture problem facing America is soil resource maintenance versus unrestrained grain exports. At the rate exports are increasing, the danger of overexploitation of the land with permanent damage to productivity is becoming imminent. Yet exports have been the lifeblood of American agriculture, the most productive in the world, and are vital to farm prosperity.

II

Exports of agricultural products have always been important to America—from Colonial tobacco and indigo to cotton; later to wheat, rice, pork and lard; and then to corn and soybeans.

But the most recent rise in exports of agricultural products is truly phenomenal, even in American history. It must confound such theorists of economic development as Colin Clark. Clark wrote several decades ago about his classification of primary, secondary and tertiary industries and how the process of economic

development consisted of countries moving up the ladder.⁴ He theorized that populations would advance from primary economic activities, (i.e., agriculture and mining) into secondary (manufacturing) and then tertiary activities (services). As a country became more capitalized and industrialized and reached higher income status it would reduce primary output and concentrate its resources on the higher stages of activity—importing from poorer, cheaper-labor countries more of the raw materials and food it needed.

Of course, that is what happens—except it hasn't happened that way in the United States. People have moved out of agriculture at a great rate, but output of the agricultural industries has gone up; instead of importing more foodstuffs and fiber, the United States exports more than ever. Colin Clark's hypothesis about capitalist development has been confirmed in practice more by the Soviet Union than by the United States.

What Clark overlooked—like the classical economists—was technological change in agriculture. He seems also to have given little weight to soil and climate factors and to the effects of socialized programs in a capitalist country in helping speed agricultural development and the "industrialization" of agriculture.

In a real sense, agriculture in America is no longer a "primary" industry as Clark used the term. In the top category of large-scale, technically advanced U.S. farms—say the largest half-million of the two and a half million farms in terms of sales, covering 80 percent of the farm production for market—human productivity today undoubtedly is as high as the average in manufacturing and probably higher. The USDA's estimates of farm-labor productivity show more rapid advances since World War II than labor-productivity gains for the economy as a whole.

This statistical gain in labor productivity on the farm is, however, something of an illusion. It is to a considerable degree the result of the transfer of functions off the farm into manufacturing plants, not just the substitution of capital for labor on the farm itself. In the case of poultry and egg production, almost the entire industry has moved from the farm to the factory. Comparing farm-labor productivity today with that of 50 or even 25 years ago amounts to comparing different industries. The work done on the farm to raise, care for, and feed horses has been replaced by machinery and fuel produced elsewhere. The other farm work going into a ton of corn has fallen sharply, because much of the

⁴ Colin Clark, *The Conditions of Economic Progress*, London: Macmillan and Co., 1940.

work is done in factories: seed production, fertilizer, pesticides, etc.

If all agriculture and agribusiness were taken as a single industry, obviously the gain in productivity would not be as great as the on-farm figures show. But it would still represent an impressive achievement in agricultural productivity.

Foreign trade has been a driving force of agricultural productivity and development from the beginning. Autarky never has been seriously considered. Farmers objected to Hamilton's protective tariff policy as damaging to their interests, especially the Southern exporters of cotton and tobacco. They said it would raise their costs of imported goods and reduce European buying power for their products. The Greenbackers of the post-Civil War period and the Populists who followed them were free traders. They sensed the importance of cheap money in stimulating foreign buying, and they favored low tariffs. The Populist-Greenbackers stood almost alone against the Republican tide of protectionism, although the Democrats occasionally uttered low-tariff sounds.

The first decade and a half of the twentieth century saw rising exports and a golden era for American farming. After the First World War, the curse of overproduction, bringing low prices, hung over the 1920s and 1930s and was only temporarily lifted by the Second World War. There was widespread agreement among farm leaders that "the farm problem" was caused by a decline in exports. The Smoot-Hawley tariff of 1930 culminated the process of export shrinkage caused by World War I reparations, war-debt finance, and U.S. tariff policies. In the New Deal era, the Reciprocal Trade Agreements Act (1934) and farm-export promotion were seen by Henry Wallace and other agricultural politicians as the way out of crop controls.

The technological revolution in farming which came to full flower after 1945 stepped up production rapidly and increased the pressure for export-market expansion. Farm enlargement was part of the process. New technology was introduced largely by substituting capital inputs for labor, releasing millions of farm people for work in towns and cities. At the same time, rapid industrial development and high wages pulled labor from surplus rural areas into factories in urban areas. Farmers' input costs dropped, and they dropped more for bigger farms than for smaller. There are economies of size for suppliers of many of the new inputs. Socialized absorption of risk through price supports, deficiency payments, disaster payments and credit assistance also encouraged farm enlargement. And the greater bargaining power of the bigger

farmers in both buying and selling, plus economies in larger unit aggregation and transportation of commodities, helped push the expansion of farm size.

When Dwight Eisenhower came to the presidency eight years after World War II, during a time of accumulating surpluses of important farm commodities, one of the principal Republican solutions was to subsidize farm exports. Various pieces of legislation on the books permitted this in small ways. The Eisenhower Cabinet and appointed officials in the Department of Agriculture were torn between their ideological objections to crop controls as an interference with free enterprise and to government interference in foreign trade. But they finally settled in 1954 on Public Law 480, a comprehensive subsidy measure, employing the usual euphemisms about feeding the world—Food for Peace.

The Administration and its supporters thought this would be the solution to the surplus problem.⁵ It contained party-line proscriptions against interfering with free markets and professed to stimulate private trade. There was always a strong element of genuine charity in the program. But if I were asked to rank the motives behind P. L. 480 on a scale of one to ten, I'd place charity at two and surplus disposal at eight.

Agricultural exports began to expand in the Eisenhower Administration, and much of this expansion was initially accomplished through subsidies under Food for Peace. Wheat exports under P. L. 480 averaged 12 million tons a year from 1960–61 to 1965–66, then fell to around five million tons in the early 1970s and were surpassed by commercial sales. Feed-grain exports under P. L. 480 have always been small and soybean exports negligible. The increase in exports of these feedstuffs has been almost entirely a commercial proposition, fueled by world prosperity and active promotion by feed-grain and soybean sales organizations.

In spite of Food for Peace, surpluses of grain continued to increase during the 1950s in the absence of crop control. When the Democrats returned to power in 1961, they revived acreage restriction, along with continued export promotion.

When the Republicans got back in charge in 1969, they confronted the same dreary problem on the Western plains—surplus of grain. It is not hard to understand the glee of Agriculture Secretary Earl Butz in 1972 when the Soviet Union began to invade the world market for grain. The Soviets aimed primarily

⁵ For a historical review of the political maneuvering on Public Law 480, see Trudy Huskamp Peterson, *Agricultural Exports, Farm Income and the Eisenhower Administration*, Lincoln: University of Nebraska Press, 1979.

at the American supply, naturally, that being the world's principal reserve. To U.S. policymakers, Republican or Democrat, the reserve was seen as a surplus. The Nixon Administration, anti-communist by fervent faith, did not hesitate to facilitate the sale of wheat and corn to Russia, including the use of export subsidies to please the new major customer.

The story later was told that the wily Russians, conspiring with the willing international grain companies, hoodwinked U.S. government bureaucrats and ripped off the American farmer and consumer. Grain stocks were depleted and prices zoomed upward; livestock feeders were caught with soaring costs at a time of cyclically large cattle inventories, and they liquidated; food prices climbed and consumers protested. All this was blamed on Earl Butz's and the USDA's naïveté in allowing the Russians to grab up our grain. I put more weight on the alternate explanation: that agricultural policymakers in the government did what came naturally in view of the long history of "surplusitis"—they seized the chance to dump the stuff.

Montaigne wrote that "excellent memories are prone to be joined by feeble judgments." American agricultural memory has resulted in feeble judgment on current policy. The passion for getting rid of the farm-surplus problem by shipping it overseas derived from the nation's history as an agricultural exporter.

With technological advance came specialization, further increasing export-crop production. The case of corn is instructive. Post-World War II hybrids could use larger amounts of fertilizer effectively, withstand dry weather, and yield more. The availability of cheap chemical fertilizer to replenish nitrogen made it possible to eliminate legume rotations and to cut the hard work of spreading manure. Continuous corn became feasible throughout the Corn Belt, especially on flat land. Fertilizer from factories replaced nutrients (at least all that seemed essential), and chemical insecticides handled the bugs which otherwise thrived in continuous cornfields. Larger machinery permitted planting, cultivating and harvesting bigger fields with less human work time. Moreover, chemical herbicides enabled farmers to greatly reduce cultivation for weed control.

If you didn't need to grow oats as a nurse crop for clover or feed for horses, why not plant more acres to high-value corn?

In the 1950s and 1960s the soybean came into its own. It had been around for many years as an Oriental curiosity but now had become the major source of high-protein meal for feeding livestock. (In the 1930s, soybean meal was regarded as a not-very-

good hog-feeding supplement, because it made oily pork, as did peanuts. But that fault was overcome, and soybeans today are the main high-protein feed for hogs as well as cattle and poultry.)

Specialization powerfully concentrates the minds of producers on their particular commodities. Thus another aspect of the change in agriculture has been the rise of promotional commodity organizations—promotional in both commercial and political senses. The general farm organizations, such as the Farm Bureau and the Farmers Union, have been surpassed in politico-promotional power by such groups as the U.S. Feed Grains Council, the National Association of Wheat Growers, the National Corn Growers Association, the National Pork Producers Council, the National Milk Producers Association, the National Cattlemen's Association, and many others.⁶ The general organizations remain potent as suppliers to farmers of insurance, other services, and farm inputs. They are influential lobbyists on overall social policies but much less so on the "nuts and bolts" of farm-commodity policies.

Specialization increased the vulnerability of large-scale producers to the economic vicissitudes of one commodity or two. The old farming idea of diversification to withstand risk has been weakened by the efficiencies of specialization and other forces (among them, winter vacations, less hard work: "Corn, Miami; beans, Bermuda," said Earl Butz, making farmers peevish, but it was true). This has been accompanied by political pressure to get the government to share the risks of single-crop producers.

There can be little doubt that the emphasis of governmental support programs on guaranteed prices and benefits related to specific crops—cotton, wheat and corn particularly—has contributed to specialization and expanding farm size. The boom in exports of these commodities has pushed the process along, and vice versa.

The petroleum crisis also stimulated the drive to expand farm exports in the 1970s. The country's unfavorable balance of payments encouraged the government to push for larger dollar earnings from the sale of farm products overseas. Government spokesmen have often elucidated the value of increasing farm exports at a time of rising oil-import costs, though the main cause of larger grain exports, of course, has been rising income per person abroad.

Two new economic forces could have restraining effects on farm

⁶ See the compilation of commodity organizations in Harold D. Guither, *The Food Lobbyists*, Lexington (Mass.): Lexington Books, 1980.

specialization and farm size in the future.

One of these is the energy problem—rising costs of, and dependence on, foreign oil. Big farming and agribusiness no doubt will continue to be able to obtain favorable allocations of scarce energy resources for agricultural power, pesticides and fertilizer. Nevertheless, farmers may shift to more crop rotations, use of organic fertilizers, and biological controls of pests if oil prices continue to mount, as they certainly will.

The second restraint on farm enlargement and exports may come from the deteriorating condition of farmland, caused by overcropping and excessive use of chemicals.

III

The rapid growth of export demand for American foodstuffs and the inexorable progression of population in the Third World have led to Malthusian alarms. America and other developed countries should economize on the use of grain in livestock feeding, it is said, saving more for direct consumption by less developed countries. In addition, America should not allow Japan, Europe, the Soviet Union, and other high-income countries to buy our grain for feeding livestock and enriching their already adequate diets. We should reserve more of our supply for needy countries.

Experience in the 1970s showed the usefulness of large grain reserves in softening the shocks of variations in world production. The United States has made efforts to establish a cooperative grain-reserve program with other countries, as proposed by directors general of the U.N. Food and Agriculture Organization and several national and international food study groups. But that has not panned out; the other rich countries appear to be unwilling to help pay for a reserve program with the United States dominating such a massive share (two-thirds this year) of the world grain trade. But the stake of the United States itself in a more stable grain market could well justify a bigger national reserve program than we have been carrying. Moreover, the United States has always recognized a responsibility to provide relief for famine and emergency food shortages in poor countries. Building an adequate reserve of grain should be high on the new Administration's agenda.

President Reagan and his food-policy advisers will have to make farm production and export decisions with such considerations in mind. Much as it goes against the free-trade, free-enterprise doctrines of the new Administration, a government policy on the disposition of grain exports will be necessary in the future—sooner

rather than later if the world should run into a series of dry years in the major grain-growing areas of North America, India, the Soviet Union and China at the same time. Indeed, another short U.S. corn crop this year would place heavy strain on our capacity to supply regular overseas markets and also provide adequate feedstuffs for domestic livestock feeding and reserves. The extremely dry fall and winter in the grain regions have reduced subsoil moisture, making lower corn and wheat production a distinct possibility. Corn production fell from 197 million tons in 1979 to 164 million in 1980. Fortunately, the large reserves (41 million tons last October) have permitted maintenance of domestic consumption and an actual increase in exports. The record 1980 wheat crop helped. But now grain reserves are being drastically lowered.

(All the grains are interchangeable as human food and as feed for livestock; hence the total grain reserve is the significant food reserve. Each year considerable amounts of wheat are fed to livestock in Europe, Russia and North America. But since wheat and rye are better for bread, the "coarse" grains—corn, milo [grain sorghum], barley, oats—are the principal livestock grains.)

The earth's finite supply of petroleum and natural gas, plus the cartel pricing policies of leading world producers outside North America and the Soviet Union, have caused Americans to turn to what are called "renewable" resources for producing energy. Of these, organic materials including crop wastes, garbage, wood, sugar cane (used extensively in Brazil for alcohol fuel), sugar beets and grain are being studied as sources of alcohol, primarily for transport-vehicle fuel. In the United States, corn has been seen as the principal source, mainly because of the abundant supply. The Carter Administration started a large-scale corn-ethanol program, with loans and grants to encourage development of fermentation and distilling factories. In addition to putting up this money, Congress approved elimination of the federal motor-fuel tax on gasohol of four cents a gallon. Gasohol is a blend of 90 percent gasoline and 10 percent alcohol, so this tax forgiveness amounts to a subsidy of 40 cents per gallon on alcohol. At least 25 states also forgive gas taxes on gasohol. The total subsidy is large, probably about \$1 per gallon, and inviting for alcohol production from corn—at today's prices.

Conceivably, the gasohol market could take as much as a billion bushels of corn (25.4 million tons) a year by the end of the decade, assuming the government subsidies increase with inflation. The Carter Administration's goal was to get alcohol production up to

500 million gallons this year, using about 200 million bushels of corn, but that goal won't be reached. Enthusiasts for gasohol talk of a billion gallons of corn alcohol, or two, or four. (Carter Administration people talked of a 1990 goal of ten billion gallons, which would take more than half of the record 1979 corn crop if the alcohol were made from corn!) Two billion gallons would supply about two percent of current gasoline consumption and would use 800 million bushels of corn. This would send corn prices up sharply (demand for corn as for all grains is quite inelastic), probably by as much as 25 percent. That in turn would raise livestock production costs and result in some decline in output. Consumers would pay more for meat, poultry, eggs and milk in order to get more fuel for their cars.

The claims of the "feed the world" idealists, the commercial grain exporters, and the gasohol promoters cannot all be met without strain on domestic food consumers; that is, everybody. Choices must be made. These claims all stem, fundamentally, from the long history of American agricultural surpluses, bountiful production, world-leading agricultural research, and the tradition of big exports. The idea of scarcity of food production has never entered the head of the typical American farmer—or the city-dweller once removed from the farm, for that matter.

But the bigger claim, if one looks beyond the near decades, is to consider the state of the nation's agricultural resources. Long-range planning has not been a notable characteristic of this democracy. Limits to growth are anathema to Americans; they would rather talk about the growth of limits, through magical science and technology. But the oil is clearly running out, and so is the most precious of our resources—topsoil.

IV

Soil productivity has sometimes been viewed as a renewable resource: you can replace the depleted nutrients with chemical fertilizers. Shortly after World War II, when new fertilization and weed- and insect-control methods were being adopted rapidly, the soil conservation movement which had bloomed in the 1930s began to fade. I remember a front-running farmer telling me in the early 1950s that it was foolish to worry about losing topsoil. He advocated growing corn and soybeans on the hills, saying he could restore the natural soil productivity with chemicals; he scorned growing clover and alfalfa as money losers.

In less extreme form, many farmers followed this policy, and so did the agricultural scientists and educators at the Land Grant

agricultural colleges. The companies manufacturing and selling fertilizer and pesticides, naturally enough, pushed the revolution in agricultural techniques—and they exerted substantial financial and political power to get support from the agricultural colleges and the federal government.

Soil scientists who expressed alarm about losses of topsoil didn't get much of a hearing until recently. The chronic tendency to overproduction of farm products and the deliberate removal from production by government policy of 50–60 million acres of cropland made concern over soil resources seem absurd. But the return to full farm production in the 1970s and more evidence of big soil losses have forced a new look.

The National Resources Inventories conducted by the USDA three years ago showed that erosion is taking place on much of the nation's best cropland at a faster rate than the soil can be replaced. Topsoil lost by erosion is slowly rebuilt through weathering of the less productive subsoil, and the process can be speeded to some extent by cultivation and large additions of nutrients and organic matter.

The USDA has assigned soil-loss tolerances for most cultivated lands. These "T-values" never exceed five tons per acre per year (equivalent to about a half-inch in 15 years). For thin soils the tolerable level of soil loss is less than five tons. Losses beyond the T-values signify a deterioration of the resource and a long-term decline in productivity. That is, the topsoil is not replacing itself. The T-values are in some dispute among soil scientists, but they give us a rough measure of the state of soil resources.⁷ The USDA inventories indicated that 97 million acres of cropland are eroding at rates exceeding five tons per acre per year.⁸ That's about a quarter of the nation's cropland.

In critical areas, soil losses are much greater. Nearly a third of the land in row crops in the Southeast, and in the Corn Belt about a fifth of the row-crop land, is eroding at the rate of ten tons per acre per year. "Iowa," its Secretary of Agriculture said, "has the dubious honor of having the highest average soil loss of any state

⁷ W.E. Larson, a soil scientist with the USDA's Science and Education Administration, wrote in the January-February 1981 issue of *The Journal of Soil and Water Conservation* that "current T-values may be too high in many cases for maintenance of long-time productivity. Perhaps scientists should set a new T₁-value based on perpetual productivity maintenance. A T₁-value could reflect the effect of erosion on crop yields. This would consider lost nutrients, remaining depth of the A-horizon [topsoil] and root zone, and subsoil productivity."

⁸ The National Association of Conservation Districts criticized this estimate as too low. It said USDA included as "cropland" millions of acres of hayland (16 percent of the cropland) on which erosion is slight. This, according to NACD, makes the erosion situation in grain-growing areas look less serious than it is.

in the nation.” Western Tennessee is another area with heavy soil losses from water erosion. Heavy cropping of corn and soybeans is the reason in both places.

As export and other demand for food increases, the pressure rises on land susceptible to erosion. Even the relatively flat lands of Iowa are eroding badly, from both water and wind. What is worse, though, is the washing of hilly land brought into row-crop cultivation in response to high prices for corn and beans.

John Timmons and D.C. Cory, of Iowa State University, have estimated that under a “high export scenario” through 1985 soil erosion losses for the Corn Belt would increase by 72 percent—and their scenario was considerably below the actual exports of 1979–80 and 1980–81. Timmons and Cory projected an increase in planted acres for the Corn Belt from 152 million in 1975 to 169 million in 1985. Presumably, if exports continue to rise, that acreage will be exceeded.

Nobody knows for sure how long present soil losses can be experienced without a decline in national food-producing capacity. Erosion may not be the only cause of deterioration of soil resources from heavy grain cropping. Compaction of the soil from big machinery on large-scale, one- and two-crop farms already is a problem in some places. Bigger machines with more power may solve this problem for a while, but there must be limits. The relations between soil productivity and rates of erosion and soil compaction are not precisely known. It is evident, however, that there is an analogy between overuse of cropland and the extraction of petroleum or coal. As John Timmons has pointed out, both soil and petroleum are formed by geological processes. Through excessive erosion, soil becomes an exhaustible resource—essentially nonrenewable. Petroleum is destined to have a short life-span on earth, but topsoil can be used and reused indefinitely if properly cared for.

In sum, evidence is accumulating that our use of agricultural resources is verging on the reckless, that the soil is being mined to the detriment of productivity for the long run. Agricultural production and foreign trade policies up to now have ignored the long-range resource maintenance factor. It is time for a change.

v

America’s food-producing capacity is a powerful asset to the domestic economy and to this country’s conduct of world affairs. Despite the wonders of modern agricultural technology, this capacity rests heavily on the nation’s primeval soil and water

resources. Agricultural and foreign trade policies which result in overexploitation of soil resources and a loss of sustainable capacity to produce would endanger the nation's future.

How then can we preserve the resources that make our food-producing capacity possible? The answer must be threefold: setting priorities among major claimants on agricultural production; a natural resource conservation policy, including both protection for farmers and incentives for their participation; and, finally, intensified technical assistance to developing countries for their food production. Let us start with the question of export policy.

America's mighty granary-of-the-world is being exploited by grain-importing countries to the disadvantage of American consumers and producers, even in the short run. The United States has been willing, a few minor embargoes excepted, to sell grain in any amount to anyone who will buy ever since the sanctions against trade with communist countries were dropped. Most countries, at least those in the industrialized world, shelter their own producers and consumers against the cold winds of world agricultural competition. They have been able to hold grain prices relatively steady while the American market absorbs the shock of changes in world supply and demand.

The Russians have used the American free market as a reserve or buffer-stock mechanism, buying heavily when their harvest is down and buying little when they get a bumper yield. Because of weather conditions, grain production on the Russian steppes is notoriously erratic. The trend toward larger importing in order to improve Russian diets has been noted; the high variability and unpredictability of Russian grain imports (due to both weather and politics) has drawn less attention. The five-year agreement ending this year (with firm commitments for a minimum six million and maximum eight million tons) was an attempt by the Ford Administration to stabilize the Soviet grain trade. (The post-Afghanistan embargo only stopped sales over the eight-million-ton ceiling.) Now a similar deal has been made with China, setting minimum and maximum quantities, with room for exceeding the limits after proper warning and agreement. There are to be no more great grain robberies, as the huge Soviet purchases of 1972 were called.

Extension of such bilateral agreements on exports with other big buyers might be one way to establish greater regularity in the outflow of American grain. It also could be a method of slowing down the rise in imports by the rich countries in order to reserve more for the less developed, poorer importers. It could be a way

to check runaway exports in order to reduce the danger of excessive soil depletion.

J.R. Groenewegen and Willard W. Cochrane, of the University of Minnesota, have suggested a variable export levy to insulate the American economy from “transitory surges in foreign demand” for grain.⁹ The American grain market would be left open to the world market whenever prices were within a predetermined stabilization band. Groenewegen and Cochrane also would establish bilateral agreements with major importers to assure them of grain and to help stabilize the market. This would minimize the probability of the export levy being used.

There is something repulsive to the American spirit of free enterprise in the setting of limits or quotas on trade. In agricultural circles, it is much less repulsive, however, to fix quotas on imported cheese or beef or sugar than to fix quotas on exports. But a public interested in preserving national food-producing resources surely would stand for some restraint on exports that were causing stress on those resources. Of course the public interest in lower cost food would also be served by such a policy.

Stabilizing prices against the gyrations of foreign demand for grain requires a larger national grain reserve program than has been tried so far. The farmer-held reserve developed in the last two years, with voluntary release and mandatory “call” prices, has been popular. In addition, the Commodity Credit Corporation needs a modest reserve under its direct control which can be used flexibly to meet emergency relief needs or to prevent undue acceleration of prices.

Considering the ominous reports on soil losses from the nation’s most competent soil scientists, one possible source of strain on the land could be eliminated with minimum pain—gasohol. Despite the wild projections of some biomass alcohol promoters, the hard fact is that a significant amount of transport fuel from grain would be very costly in terms of food supplies and soil depletion. At present prices for corn, massive subsidies are needed to make ethanol out of corn profitably. The more corn is used that way, of course, the higher the price goes. It would be disastrous to try to run our cars by using food resources for the job.

The gasohol promotion boom, like the export boom, stems partly from the half-century of surplus psychology in U.S. farming. As of March 1981 the Reagan Administration seems likely to continue the Carter gasohol program, with some reduction in

⁹ *American Journal of Agricultural Economics*, November 1980.

loans for new plants but maintaining the gas tax forgiveness. At least that's what John Block wants. Realistic examination of the nation's soil resources eventually will result in common-sense conservation policies, including prudent limits on production of grain in vulnerable areas. But there is little evidence of that now.

The farmer has a legitimate claim to protection against a policy of conserving resources that would limit his markets and lower his prices—even if the land being conserved is his private property. The fact is that soil conservation—including investment in terraces, contour farming, and the withholding of land from cash-crop production—is too costly for most farmers to do on their own. The average farmer does not have a long enough planning horizon to justify the investment. He cannot expect the land to improve enough to pay off for him in the 25 or 30 years he expects to be farming.

So any national agricultural resource conservation policy that will work must include means of paying the farmer to cover his extra costs. The acreage set-aside system provided in the 1977 Agricultural Act is one device for reducing production and holding it more or less in line with a reduced export volume, thus offsetting the effect of lower exports on prices. The Act expires this year. It could be modified to assure the adoption of more conservation practices, but that would cost more money, which President Reagan does not want to spend.

After all those 40-odd years of crop acreage limitations, a really fair and effective plan has yet to be devised. Paying farmers subsidies for withholding land and for preventing erosion probably would be fairer and more effective, however, than paying subsidies based on number of pounds or bushels produced. The latter method simply rewards efforts to conserve less and produce more on the eligible land.

If the United States is to maintain its food-producing capacity, it will have to take action to prevent deterioration of the soil base. That very likely means in the next two decades the withholding of production of grain and soybeans to some extent, depending on the ability of new agricultural research and technology to increase output per acre without soil losses. This will be extremely difficult to accomplish politically at a time when world demand from both developed and underdeveloped countries is certain to increase, because of population growth and income improvement.

But America cannot "feed the world"—that is, meet foreseeable food deficits—under any conceivable circumstances, even with all-out production now—to say nothing of the needs in the twenty-

first century, soon to be upon us. Concern over the world's hungry and malnourished must be turned toward development of their local food-producing power. Allowing them to become dependent on the United States for steady supplies of grain, and serving as a ready reserve granary as well, is no service to the hungry—because we can't keep it up.

Earl Heady, Director of the Center for Agricultural and Rural Development at Iowa State University, has shown that the possibilities for increasing food production in the developing countries are great.¹⁰ "Developing countries," he writes, "have 60 percent of the world's cereal area and produce 36 percent of the grain, while developed countries produce 64 percent on 40 percent of the area. While both developing and developed countries produced around 1.15 tons of grain per hectare in the period 1934–38, the developed countries had lifted yields to 3.0 tons by 1973–76 while the developing countries had attained only 1.4 tons." (The United States averaged 3.5 tons for all grains and 5.0 for corn; some countries have achieved 6 tons for rice.)

Plowing money, fertilizer, seed, technical assistance and, above all, applied research into the agriculture of the developing countries would pay off far better than exhausting the soil productivity of America in order to supply the mounting world demand.

¹⁰ See his paper presented at a meeting of research directors sponsored by the Organization for Economic Cooperation and Development, Paris, December 1979.

Kenneth L. Adelman

**SPEAKING OF AMERICA:
PUBLIC DIPLOMACY
IN OUR TIME**

Despite virtual invisibility outside the diplomatic community and antipathy on the part of many within, public diplomacy—the dissemination of America’s message abroad—may become Washington’s major growth industry over the coming four years. A neat congruence of personality, technology and history makes this a reasonable prospect.

The personality is that of Ronald Reagan, a gifted professional communicator who has spent much of his adult life in radio, on the lecture circuit, in syndicated column-writing, or along the campaign trail. Public diplomacy is the component of international affairs he knows best and does best. It has the makings of becoming a hallmark of the Reagan Administration’s foreign policy.

The technology is the evolving global communications network which has made public diplomacy a more powerful instrument. And the historical component is the rise after the twin Iranian-Afghan crises of a fiery pro-Americanism which may burn as the political flame of the coming years. The American mood is one of pride, not shame. The national desire is to exalt America’s virtues, not to veil them. Gone is the self-deprecating temper of the 1960s and 1970s, when many Americans, particularly in the intellectual establishment, shrunk from advocacy of what they deemed a flawed, even sick society.

Today’s temper may appear a little chauvinistic, even jingoistic, but it is not more so than that felt by the Founding Fathers. Even before our independence, John Adams wrote in 1765 that the settlement of America constituted “the opening of a grand design in Providence for illumination of the ignorant, and the emancipation of the slavish part of mankind all over the earth.” Before our political system was established, Alexander Hamilton wrote

Kenneth L. Adelman is with the Strategic Studies Center of SRI International (formerly the Stanford Research Institute). He served as Assistant to the Secretary of Defense in 1976–77, and was a member of the Reagan Administration’s foreign affairs transition team. He is the author of *African Realities*.

in 1784 that America's liberty "has occasioned a kind of revolution in human sentiment. The influence of our example has penetrated the gloomy regions of despotism." The idea of America as primarily an idea is hence an old one. And it is still a captivating one. More than a million people around the world have applied for immigration visas to come to these shores. Some will have to wait 11 years or more for permission to enter, if it is granted and if they can leave their countries at all.

With such a captivating message to convey, one would expect that America would be eager to convey it. But for some time the contrary has been more the case. Public diplomacy has long floundered, simultaneously misunderstood and mistrusted. It lacks a domestic constituency in part because it conjures up Orwellian images of a "Ministry of Truth." Walter Lippmann in his columns in 1947 and 1948 mocked government broadcasts "heard round the world singing songs, cracking jokes, entertaining the kiddies. This country, being a truly free country, does not have any such thing as an official ideology, an official doctrine, and an official set of opinions." His words reflect a fear that America would have propagandists—which literally would be true since these people would propagate ideas and information.

Such fear has prompted Congress since 1948 to prohibit domestic dissemination of materials produced for overseas information programs. This has left the product of public diplomacy unknown within the United States. Moreover, Americans cannot realize the impact of truthful radio broadcasts since they never lack multiple sources of news. The norm here is information overload. The norm elsewhere is information sparsity; indeed, central control of information is the rule throughout most of the world. Moreover, few Americans realize that radio, not television or the printed media, is the main means of communications abroad. Despite the gap in standards of living, there are ten times more shortwave radio sets in the U.S.S.R. than in the United States. The number of radios there soared from 3.5 million in 1950 to more than 60 million in the mid-1970s.

Awakening Americans to the potency of beaming truth demands a Nobel laureate such as Andrei Sakharov telling from internal exile in Gorky (as he did last year) how important such broadcasts truly are; he obtains news of the outside world from Western broadcasts on a transistor radio he carries on walks to avoid the jamming done around his house. Or Aleksandr Solzhenitsyn telling of "the mighty non-military force which resides in the air waves and whose kindling power in the midst of communist

darkness cannot even be grasped by the Western imagination.”

Public diplomacy reaches the masses as well as elites such as these. And for better or worse, the masses are the subjects and no longer merely the objects of historic change. The current thrust of opposition in Poland comes from manual laborers and farmers; there the intelligentsia and labor hierarchy pant to keep pace. Similarly, the thrust of opposition to the Shah came from the streets rather than the parlors. A dramatic instance of public diplomacy's power was the spreading of one idea in November 1979 among the masses in Pakistan, namely that Americans and Israelis were responsible for the attack on the Grand Mosque in Mecca. This line, reportedly put out over an international broadcasting service, provoked a swift attack which reduced the American Embassy in Karachi to rubble. How to tap this staggering power and how to channel it along constructive rather than destructive paths is the challenge of public diplomacy. How have we done, what are we doing, and how can we meet that challenge better?

II

Torn between Hamiltonian urgings to penetrate gloomy despotism and Lippmannesque strictures against propagating official opinions, the U.S. government has been unable to decide how to manage public diplomacy. Since the 1950s, more than 30 reorganization studies on it have been conducted by executive, legislative and “blue-ribbon” groups.

Today the main organization is the International Communication Agency (ICA), whose roots go back to the 1948 Smith-Mundt Act and the 1961 Fulbright-Hays Act. The ICA came into being in 1978 as a merger of the United States Information Agency (USIA) and the State Department's Bureau of Educational and Cultural Affairs. This placed under one roof the information output, such as the Voice of America (VOA) radios, and the exchange efforts in the Fulbright and other such programs. The information side has the image of a more confrontational posture while the exchange activities evoke more cooperative sentiments. The tilt recently has been toward the latter; the Carter Administration removed the motto “Telling America's story abroad” from the ICA building (aptly located at 1776 Pennsylvania Avenue in Washington) in order to highlight two-way understanding. The tilt in coming years will no doubt be toward the former; the Reagan Administration will want a vigorous telling of America's story abroad to promote its values and interests.

ICA balances disparate missions, including the nearly impossible task of providing "foreign peoples the best possible understanding of our policies and our intentions" so they can "comprehend why we have chosen certain policies over others."¹ Such comprehension is difficult enough for Americans, let alone foreigners. How does one explain in simple terms the myriad of political, strategic, psychological, and international events which coalesced to delay and eventually doom SALT II? Add on a foreigner's difficulty in comprehending our political system, different from all others in that a legislative body can and will thwart an international agreement negotiated and wholly supported by the executive branch.

But despite such inherent difficulties, the ICA officials who staff 203 foreign posts do explain American politics, culture and society to policymakers and opinion-molders in 126 countries. They also maintain libraries stocked primarily with Americana, distribute ICA's 11 magazines in 19 languages, organize exchange programs, arrange 30 exhibits yearly, and show superb ICA-made films such as "John F. Kennedy: Years of Lightning—Day of Drums" and "Czechoslovakia: 1918–1968."

Such services are squeezed by declining resources. Today, ICA's real budget and the number of its personnel are each one-third less than they were in the mid-1960s. Were it currently operating at its mid-1960s level, ICA's budget would approach \$750 million rather than its current \$450 million. As it is, ICA spends less on the U.S. government's information and cultural programs than a single American soap producer spends on its advertising. ICA's operating costs have unfortunately risen much higher (194 percent since 1969) than the overall price rise (125 percent) due to the fall of the dollar and the fast-rising costs of international travel, education and overseas rentals.

America's disengagement in the late 1960s and 1970s, which included a drawing down of American consulates and bases as well as information outlets, was penny wise and pound foolish. While America's real interests abroad were steadily growing, its representation to protect those interests was steadily declining. There were 1,040 American information officers in 1969; there are now only 661.

In Western Europe alone, the number has fallen 80 percent since 1954. This sharp decline has been justified on two grounds:

¹ "USICA Mission," Memorandum from the President to the Director of USICA, March 13, 1978.

that Europeans have an abundance of information about America from the private media (which has something to it), and that American friendship with Western Europe is so unshakable as to obviate the need for many U.S. government information programs there (which has little to it). Such arguments ignore the fact that much of the developing world's climate of opinion comes from European cultural and intellectual centers; Europe is still the world's grand salon of respected opinion. And in Europe the generation now assuming power has had little direct contact with Americans and was raised in the anti-American mood of Vietnam and Watergate. In part as a consequence, American and West European views of the world diverge on such critical topics as Middle East diplomacy and the scope and nature of the Soviet threat.

Past ICA-sponsored opinion surveys of Europeans demonstrate this divergence, and indicate problems which future ICA programs could help redress. Obviously, NATO functions best when American and European leaders work off the same set of facts. These facts could be conveyed through an orchestrated information program supplemented by ICA activities. Briefings which present satellite photographs of Warsaw Pact forces poised at the NATO border could prove as effective with European political and opinion leaders in coming years as they proved with American leaders in the mid-1970s. This would necessitate some declassification of material for ICA use, but the benefits of doing so would outweigh the risks and the bother.

ICA's budget crunch has dropped the U.S. level of effort still further below that of other countries. The Soviet Union—inspired by the words of the professional propagandist Lenin that “ideas are more fatal than guns”—spends at least five times what the United States does on its information and cultural ventures. France spends twice as much and West Germany 70 percent more in absolute terms, and every major nation spends a substantially higher percentage of its national budget on this account. Other nations' programs are expanding in real terms: Japan's by 73 percent since 1976 and West Germany's by 32 percent, while America's were declining, by 11 percent.

Unequal inputs lead to unequal outputs. This is most easily gauged in international broadcasting. The voa broadcasts 891 hours per week in 39 languages and some of its signals are quite faint. Meanwhile, the Soviet Union broadcasts around 2,000 hours per week in 82 languages and most of its signals are strong. On the air even more than voa are China with 1,373 hours per week

and Egypt with 1,065. Like most others, the Soviets are expanding radio services across the board—through their official stations (Radio Moscow's world service in English recently went from 19 to 24 hours a day), "semi-official" services (Radio Peace and Progress), and clandestine stations (e.g., Voice of Free Turkey, National Voice of Iran, etc.).

Granted, straight bean-counting is scarcely a measure of effectiveness. Were it so, Albania would be at the forefront of world consciousness; Radio Tirana broadcasts hundreds of hours weekly in nearly 60 languages. International broadcasting must be a major export, albeit an uncompensated one, of that impoverished nation.

More consequential than the level of effort is its product. How has the United States done in this regard?

III

On the quality and audibility of its programs, VOA has received from mixed to favorable reviews since going on the air two months after Pearl Harbor with a pledge: "Daily at this time, we shall speak to you about America and the war. The news may be good or bad. We shall tell you the truth." VOA now presents an objective and balanced presentation of the truth to a weekly audience roughly estimated at upward of 100 million around the globe.

Since 1942, VOA's news service, and its correspondents, have tried to operate as much like commercial journalists as possible. On rare occasions, their activities have had to yield to considerations of diplomacy: during the 1975 evacuation from Saigon, for example, VOA was confined to official statements lest full news coverage quicken the panic, as such coverage had done during the prior evacuation of Danang. And VOA correspondents are not allowed official contacts or interviews with groups shunned under U.S. government policy, such as the leaders of the Palestine Liberation Organization.

But the thrust has been toward more journalism and less diplomacy. Under recent regulations VOA correspondents travel on non-diplomatic passports, enter countries on journalistic visas and work from offices outside of U.S. embassies or consulates. American diplomats abroad must treat VOA correspondents no better or worse than other American journalists. Still, anomalies linger: VOA correspondents are barred from congressional press galleries open to "journalists" from the Soviet Union and East Germany. In fact, the U.S. Congress is the only legislature in a free country that bars VOA correspondents.

Political pressures have been strong to push VOA even further from diplomacy, i.e., from the State Department and ICA. Former Senate Foreign Relations Chairman William Fulbright and current Chairman Charles Percy have argued for VOA independence to better assure its legal mandate that VOA news be reliable, authoritative, accurate and comprehensive.

On the face of things, VOA credibility is imperative, for most listeners also tune in other international services. Over time, they can easily detect any slant, since 25 to 50 percent of international newscasts dwell on the same topics. Besides, VOA does the most good in societies where polemics and distortions fill the home airwaves. To beam its own polemics and distortions on the news—albeit from the opposite ideological vantagepoint—would cripple VOA's stature.

Yet there is, of course, no escaping the fact that VOA is an American medium, with all the cultural and political baggage that carries. It is bound to reflect the priorities and concerns felt in this country. Moreover, its listeners, especially those less sophisticated, are bound to regard it as the actual "voice of America," i.e., of the American government. And, at the deepest level, any selection and presentation of information material is bound to be subjective to some degree; total objectivity is never possible.

Given these necessary qualifications, though, VOA has gained and deserved a high reputation for presenting the news fairly, regardless of whether it puts U.S. policy in a favorable light. It has been credible. Rather, its main problems lie in areas less scrutinized, namely in the timeliness of its news and the value of its commentaries. Compared to Deutsche Welle, the British Broadcasting Corporation (BBC) and Radio Liberty, VOA presents the most daily news, but in the least timely manner.² More worrisome are the critiques of VOA's "commentaries." Though clearly identified as opinion and not news, they have been less the former than the latter, lacking as they do any clear and crisp viewpoint. VOA editors may bend over so far to prove objectivity that they dampen any U.S. government perspective, even if so identified. During the twin Iranian traumas of the fall of the Shah and the capture of the American hostages, VOA seemed void of clear themes. The result can be the worst possible combination: a VOA frequently (though unfairly) dubbed a U.S. government propa-

² James H. Oliver, "Comparison of the Russian Services of the Four Major Broadcasters (VOA, BBC, DW, RL)," prepared for the Office of Research, U.S. Information Agency and published in *Public Diplomacy and the Future*, Hearings of the Committee on International Relations, House of Representatives, June 1977, pp. 589-635.

ganda arm without propagating the government's message, even when it is expected and proper to do so.

This criticism has been leveled most often against the Voice's Russian programs, and most prominently by Aleksandr Solzhenitsyn in these pages: "It is clear that the directors of the Voice of America are constantly trying not to arouse the anger of the Soviet leadership. In their zeal to serve détente, they remove everything from their programs which might irritate the communists in power."³ Solzhenitsyn cited examples from his personal experience and concluded that at times voa "dances to the tune called by the communist regime or indeed becomes indistinguishable from a Moscow radio station." Even before his outcry, two independent American researchers arrived at a similar conclusion—that voa's Russian programs allot only five percent of total broadcast time to interpretation or explanation, and that this material lacks clear American views—or for that matter a clear presentation of any views.⁴ A study comparing the programs to those of the three other major Western broadcasting services found that voa's "broadcasts contain the least amount of negative material about the Soviet Union" and that voa's coverage of domestic Soviet matters contains less "material related to shortcomings and conflict than those presented" by Deutsche Welle, BBC, or Radio Liberty.⁵

Such criticism goes to the very heart of voa's operations, for voa naturally has as a primary target the "denied areas" of Eastern Europe, China and particularly the Soviet Union. voa broadcasts 164 hours a week in Russian and seven other Soviet languages to an estimated 40 to 50 million listeners weekly. The potential is even greater, with up to one half of Soviet adults thought to tune in a foreign broadcast (primarily voa) during a major international event.

Even during normal times, voa news broadcasts offer timely information to the public and to Kremlin leaders themselves. In 1971 voa announced the death (and analyzed the life) of Nikita Khrushchev, who had ruled the Soviet Union for a decade, a full two days before his passing was noted in *Pravda* and on Radio Moscow. In 1977 voa delved into the causes behind the ousting of Soviet President Nikolai Podgorny, while *Pravda* relegated the matter to one sentence.

³ Aleksandr Solzhenitsyn, "Misconceptions About Russia Are a Threat to America," *Foreign Affairs*, Spring 1980, p. 823.

⁴ Maury Lisann, "Voice of America Russian Language Programming," a study conducted at the request of the director of the U.S.S.R. Division of the Voice of America and published in *Public Diplomacy and the Future*, *op. cit.* footnote 2, pp. 510-48.

⁵ Oliver, *op. cit.*

Important as such nuggets are, VOA's main impact is surely the steady stream of material whose dissemination would be inconceivable in a closed society. American international broadcasting reflects democratic principles in action. The inescapable difference between the way totalitarian governments and free governments inform and trust their people sends the most powerful message of all—far more important than any particular message sent.

Nonetheless, VOA can send better messages. To be more effective, it should elevate the sophistication of its broadcasts. The quality of VOA roughly equals that of most Western commercial stations. But VOA's target population—the Soviet intelligentsia, young managers, scientists, and cultural and political leaders—is of a markedly higher caliber than the average Western radio audience. VOA could also improve its timeliness, not only in terms of news breaks but also of audience interest. Its Russian programs should respond sooner and more broadly to Soviet press campaigns. When TASS harps upon an issue with demonstrably anti-American distortions or prevarications, the need to respond—still objectively—should be self-evident. Finally, VOA could allocate slightly less time to Western economic woes, crimes and racial unrest—not because these put America in an unfavorable light but simply because the Soviet press already gives them sufficient if not inordinate play. Western services should deal with these realities, discuss and analyze them frankly, but they need not focus upon them to the extent proper for an American audience.

Complementing VOA's work in these regions are Radio Liberty (RL), beamed into the Soviet Union, and Radio Free Europe (RFE), into Eastern Europe. VOA stands clearly as an American voice while RL and RFE serve as surrogate home services—that is, they have less news of or from the United States, but rather deal primarily with accurate news of the countries they serve. Started in the early 1950s with CIA funding, their ties with the CIA were severed in 1971. Three years later they were placed under a new Board for International Broadcasting, most of whose members are appointed by the President to oversee the two radio services. RFE and RL's combined budgets equal that of VOA, around \$90 million, and their greatest success lies in Eastern Europe. Radio Free Europe's broadcasts, even when jammed, reach more people than VOA unjammed in this area.⁶ For the past two years, an impressive

⁶ And RFE has been recurrently jammed, though with varying degrees of effectiveness. It continues to be jammed severely in Czechoslovakia and Bulgaria and less severely or effectively in Poland. RFE broadcasts to Romania and Hungary have been free from interference since the early 1960s. Radio Liberty in the Soviet Union has been continuously jammed since it began in 1953 though, as will be discussed, this is not entirely effective either.

55 percent of adults in Poland and Romania—and a third to a half in Hungary, Czechoslovakia and Bulgaria—tuned in RFE at least once a week. During a crisis, the listenership may soar to a staggering 80 percent of those over 14 years old.

In Poland, the present scene of an ongoing crisis, the people have been tuning in. Leaders of the Solidarity union have attributed a measure of their success to RFE's Polish service, as it alone provides reliable information on events throughout that nation. When asked why the Polish domestic media became more informative after the labor strikes, a Communist Party spokesman replied, "We want the people of Poland to know not only from Radio Free Europe what is going on."⁷ The Kremlin understandably resents such pressure from RFE, as it resents RFE itself. When Soviet Foreign Minister Andrei A. Gromyko wrote Secretary of State Alexander Haig, Jr. last January, he specifically mentioned "the provocative and instigatory" VOA and other U.S.-supported broadcasts to Poland which, he claimed, were "aimed at generating among the Polish population unfriendly sentiments with regard to the Soviet Union." Mr. Gromyko wrote this even though Polish sentiments were hardly friendly with regard to the Soviet Union before VOA and the home stations were ever established.

Like RFE, Radio Liberty's broadcasts in 15 Soviet languages harshly criticize the communist system, but warmly embrace the anguished people. RL particularly targets the narrow but politically important Soviet dissident community, which has become its clearest audience. Dissidents welcome the frequent readings from *samizdat* literature. Unfortunately, too often it is only they who muster the persistence and patience during off-hours to pick up RL's usually faint signal. Recently some 80 percent of RL's listeners described its audibility as "poor to impossible"; its signal strength now ranges between 25 and 35 percent of the minimum standard set by a 1977 White House Report.⁸

This has been a deepening problem since 1973, when the Milton Eisenhower Commission urged modernization of RFE's and RL's transmitters, lest listenership decline. The recommendation was not effectively implemented and listenership did drop—from an estimated 14.2 million for RL in 1974–75 to less than half that, or 6.9 million, in 1976–77. RFE and RL have such financial constraints this year that their transmitters may have to be powered at less than full capacity. Expansion and even modernization have been

⁷ The Board for International Broadcasting, *Seventh Annual Report* (1981), p. 2.

⁸ This minimum standard is a signal of 1.0 millivolts per meter on three frequencies in unjammed service areas or 2.5 mv on four frequencies in jammed areas.

interminably delayed despite glaring needs: RFE's only medium-wave transmitter, which beams to over half of its Polish listeners, was acquired secondhand in 1949 and now operates at considerably less than its modest power capacity. New transmitters would enable Radio Liberty to double its audience and markedly enhance its audibility to current listeners.

Even with completion of modest ongoing improvements, RL will reach only half of the minimum standard. Consequently only a small fraction of its prime audience—the 190 million people in the western U.S.S.R.—will receive clear broadcasts. Its audibility east of the Urals will be, as it is, practically nonexistent.

Radio Liberty has won political battles, but some victories have proved illusory. In 1979, President Carter approved funds for more audible RL signals to eastern Siberia and Soviet Central Asia, where the Soviet Muslims should be interested in reports on Moscow's invasion of Islamic Afghanistan and should be told. Such funds were never forthcoming because the proposal was never pushed.

Clearly the political climate has improved since then. Mr. Reagan has pledged "to strengthen" RFE and RL as well as the ICA and VOA. "Compared with other costs of our national security, the dollar amounts involved in this area are small. What is needed most is a sense of conviction," he told the nation last October. This is now politically possible. It no longer would face the opposition of a Chairman Fulbright who at one point wanted RFE and RL abolished as "relics of the cold war." Should the Administration truly wish to strengthen these services, it has been handed opportunities galore—not only on needed funding but on needed leadership. Three of the five presidentially appointed seats on the Board for International Broadcasting are open to nominees of Mr. Reagan, including designation of the Chair.

If undertaken, technical improvements should not be confined to RFE and RL. VOA similarly suffers. In each of the services, nearly every added program or language necessitates an equivalent reduction elsewhere, since the three are stretched to their very limits. The equipment in VOA's main control room dates back to 1954. VOA lacks funds to convert from vacuum tube equipment to more reliable and cost-effective solid-state systems. Necessary technical improvements have been avoided for a host of reasons: few policymakers understand or care much about the technology, outside political backing is slight, lead times are long—from survey to start-up, some five years—and top leadership has been transient. The unusually high rate of change in U.S. Administra-

tions, six in the past 18 years, has proven detrimental to long-range programs, while research has been shortchanged for pressing program needs.

Sharing radio facilities would help in the near term. European allies could be asked to share excess transmitter time for American broadcasting. If this were deemed too ambitious or impossible, at least the U.S.-sponsored services should share facilities. For example, RFE's Polish service could be transmitted during prime time over VOA's medium-wave transmitter in Munich with three times the signal power. RL could beam into Soviet Central Asia with unused VOA transmitter capability in Greece. Audibility could be enhanced markedly by rearranging VOA's British-based and RFE and RL's Portuguese-based transmissions.

VOA has shied away from such joint ventures for fear of being somehow "contaminated" by the RFE and RL home radios. The Soviets, it is said, would then fight VOA as fiercely as they do RFE and RL. This argument persists even though the Soviets already jam VOA and even though they make no distinction between VOA and RFE and RL, as Mr. Gromyko's letter to Secretary Haig makes apparent.

Similar timidity—along with inadequate funds and bureaucratic inertia—caused appalling delays in VOA broadcasts to Afghanistan. While the Soviets had long been broadcasting to Afghanistan and Iran 13 hours a day in all the main languages (Farsi, Dari, Pashto), VOA did not begin effective broadcasts into Afghanistan until 29 months after Marxists seized power in April 1978 and nine months after the December 1979 invasion. When it finally began, VOA broadcasting was confined to half an hour per day in Dari, not in Pashto (the most common language of the Afghan resistance movement), with a signal so weak as to be barely audible in parts of Afghanistan. To muster even this minimal effort, VOA had to divert resources from other programs, including those which had just begun in Iran.

A splendid opportunity was thereby lost for America's information services to tell the Afghan people how the Soviets had reduced at least 60 Afghan villages to rubble and slaughtered their inhabitants, crushed student revolts in the capital, and committed a host of other atrocities. Lost was an opportunity to inform Soviet Muslims in Central Asia of their government's actions against their fellow believers. And lost was an opportunity to tell the Afghan people how Americans sympathized with their plight.

Russian citizens themselves should be informed of such matters,

as many were before Moscow resumed jamming voa last summer at the outset of the Polish workers' strikes. Jamming of voa had previously occurred—throughout the 1950s into the early 1960s and again in the late 1960s with the invasion of Czechoslovakia. While it is disturbing that the Soviet Union would so blatantly violate agreements to which it is a signatory—the 1975 Helsinki Accords and before that the 1948 Universal Declaration of Human Rights which unequivocally grants every person the right “to seek, receive, and impart information and ideas through any media and regardless of frontiers”—it is somewhat consoling that Soviet jamming faces serious problems. A widely dispersed Soviet population, in a vast area spanning 11 time zones, makes jamming technically difficult and exceedingly costly. In the early 1970s, Moscow spent around six times as much jamming other nations' international broadcasts as it did beaming its own. To be effective today, the U.S.S.R. must jam the four major Western services and some others such as Radio Peking, Radio Tirana, and Kol Israel.

That it wages such a massive effort reveals Moscow's appreciation of the potency of international broadcasting, especially that directed at its own peoples. This fear rose to the surface in 1972 when Moscow threatened to boycott the Munich Olympics unless RFE and RL stopped broadcasts from their Munich headquarters. And it is evidently deepening; the Soviet media are now waging a propaganda assault against the U.S. radios unprecedented in both scope and viciousness.⁹ And this fear is entirely justified; as the Marquis de Custine remarked 150 years ago after visiting there, “One word of truth hurled into Russia is like a spark in a keg of powder.”

IV

While the broadcasting side of the ICA house has had the most publicity and endured the most controversy, the cultural exchange side has gained a growing share of the ICA budget. This side handles overseas tours for American experts in public affairs, culture and technology, and American tours for foreign experts and leaders in culture and politics. Approximately 35 presidents and prime ministers in office today came to the United States at some point in their careers on an American exchange program. Future figures are not likely to be as impressive; for here too ICA

⁹ Those responsible have not been identified but on February 21, 1981 a 22-pound bomb exploded in RFE's headquarters, injuring eight people and causing several million dollars in damage.

has been in decline. The total number of U.S.-funded exchange grantees has been nearly halved, from 9,800 in 1967 to around 5,200 this year.

Even the best known and most highly regarded program, the Fulbright, has fallen sharply. Its real budget is but 60 percent of what it was in 1965, although the number of participating countries has risen by 30 to 120. In the program's first year, 250 Americans sailed to France on a single ship; today there are but six Fulbright students in France. Declining funds have stretched the expanding program far too thin, which in turn has led to declining quality. As the living standard for Fulbright participants has dropped, so has the number of scholars with an international reputation. In their place are younger teachers with a yearning to live abroad, even in austerity.

Undoubtedly the Fulbright Program has benefited its 45,000 American participants in learning the tools of international affairs. These tools, so evidently lacking in Americans, are no longer being supplied by the educational establishment. Today less than ten percent of American colleges and universities require foreign language training, compared to 34 percent in 1966 and 85 percent in 1915. There are reportedly more *teachers* of English in the Soviet Union now than there are *students* of Russian in the United States. The President's Commission on Foreign Language and International Studies deplored the "moat mentality" in which foreign language proficiency has nearly vanished: "Americans' incompetence in foreign languages is nothing short of scandalous." This leads to scandalous incidents, as when a Soviet soldier seeking asylum at the American Embassy in Kabul was turned away last year without proper deliberation since the Embassy had no Russian-speaking officer.

Undoubtedly the Fulbright Program has likewise benefited the 85,000 foreign students, teachers and scholars it has brought to the United States. For this reason, foreign governments have come to contribute nearly one-fifth of the program's \$50 million yearly costs. They realize that one of the things the United States does best is higher education. Thousands of young persons around the world are willing to undergo real sacrifices for an American education.

In this manner, the exchange programs do have political spinoffs. Americans almost uniformly return from exchange ventures higher on their country than ever. To many the experience gives a surge of patriotism. Though surely unintended, this must be a prime benefit of the program.

On the other hand, the programs' underlying assumption—that better understanding leads to better cooperation—may or may not be the case. Greater exposure to another society may make its failings stand out more, and reveal greater differences with one's own society. This is occasionally the situation with American programs; attending an American university apparently made Kwame Nkrumah more hostile toward the United States than he had previously been. But it is often true with Soviet programs. American Fulbright participants told me in Moscow in 1971 that they had all become increasingly hostile to the Soviet system the longer they remained under it and the more they saw of it. During travels throughout Africa between 1972 and 1975, I found that African students who had attended Patrice Lumumba University in Moscow frequently spoke of Russian racism and oppression that molded them into more conservative Africans. Historically the true African revolutionaries seem to have studied in the West—at Berkeley, Columbia, the Sorbonne, or the London School of Economics—as did such non-African revolutionaries as Ho Chi Minh and Chou En-lai.

v

What then is the proper role of public diplomacy? What can be expected of it? As a practical matter, might not the Reagan Administration's initial high expectations for its promise lead to later disappointment?

It is safest and perhaps truest to view public diplomacy as a long-term foreign policy asset, one designed to present foreigners with a mosaic impression of America's mosaic society and to incline them favorably toward American values. It also helps create a climate of opinion in which American policies can be successfully formulated, executed and accepted. In a way, public diplomacy is analogous to most journals of opinion; rarely are their products applicable in a short-term policy formulation but often they do contribute to the intellectual and cultural environment from which policy flows. Other informational tools of U.S. foreign policy—presidential and cabinet-level press conferences or addresses, ambassadorial speeches in the United Nations or abroad, congressional or lower level executive statements—are usually sporadic and frequently inconsistent.

ICA's output, in contrast, should be steady and easily understandable. It can present a few basic themes (more cannot be absorbed) and these themes must be consistent; human beings yearn for consistency in beliefs as in life. The Soviet Union and

China suffered immensely when their information organs, after years of proclaiming undying admiration and unbending affection for the other, began proclaiming unending antipathy.

In its grandest sense, public diplomacy is preventive diplomacy. It can help prevent the peoples and leaders of friendly countries from drifting away, and the peoples of adversary countries from losing all touch with freedom or with America. In this light, it is appalling that voa did not broadcast into Iran for the last 20 years the Shah sat on the Peacock Throne. Such broadcasting resumed only after the Ayatollah Khomeini assumed power. When the American hostages were seized, voa was broadcasting a paltry half hour a day there.

In the developing world, ICA's primary goal is to convey the United States' commitment to individual liberty and cultural diversity, stressing in the process our strong cultural ties to Africa, Asia and Latin America. Radio broadcasts best convey this overarching message there since illiteracy rates are high (over half of adult Iranians and nearly 90 percent of adult Afghans). The Soviets are well aware of the opportunity, broadcasting to the Third World more than twice the weekly program hours that the United States does.

Western broadcasts there may assume even greater importance if some Third World countries succeed in establishing a "new world information order," which would extend the principle of prior governmental consent to all news outlets within that country. This enhanced governmental control over the media would make international broadcasting—which most states could not block—that much more critical.

More controversial is a shorter term use of public diplomacy. Radio can be contributory but never causal in a particular situation; it can help propel events along their current path but cannot lead them into a new one. In this way, public diplomacy can help destabilize a regime, the most obvious example being Iran. At the close of 1978, as the Shah was teetering, the Soviet-based National Voice of Iran was blaring anti-Shah diatribes and describing how U.S. imperialism had ordered "bloodbaths" in Iran so that Americans could "plunder" Iranian oil. Later these same stations cheered the seizure of the American hostages.

Whether and how much these broadcasts envenomed that situation will never be precisely known, but knowledgeable people believe they did. The U.S. Ambassador in Iran at the time, William H. Sullivan, has stated that two forces of public diplomacy stirred the pot. Surprisingly, he believed that BBC broadcasts

helped bring down the Shah; apparently the BBC employed staunchly anti-Shah reporters and sources in Iran who frequently exaggerated the extent of early opposition and the velocity of change thereafter. And, not surprisingly, he accused the Soviets of helping convert the revolution into an anti-American spectacle. This they have continued to do. As the U.S.-Iranian negotiations on the hostages' release entered their final stage, Radio Moscow beamed to Iranians that the United States "has put forth demands which are insulting to your country and are therefore totally unacceptable."

Whatever their precise potency, the anti-Shah and anti-American diatribes had the airwaves to themselves. No accounts presented opposing arguments or even some balance. VOA did not resume broadcasts in Iran until after the Shah's exile. Even then, it offered timid rebuttals despite pressure to do more. State Department officials urged the ICA and VOA to counter the Islamic clerics' and Soviets' line that all evils in Iran sprang from America. The proposal was simply to have VOA correspondents interview American academics and development experts on U.S. assistance in Iran and for Iranians (e.g., the enormous education program in the United States). The goal was to show that American involvement was by no means confined to "plundering." Nothing came of this proposal.

After the seizure of the hostages, the State Department proposed that ICA and VOA orchestrate a campaign on the agony of the hostage families, Iran's clear violation of Islamic and international law, the diplomatic and economic isolation which resulted, etc. Little came of this proposal either, again due to an amalgam of reluctance and administrative inertia.

In stage three of the Iranian drama, following the hostages' release, the instruments of U.S. public diplomacy could have hammered away at the squalid treatment of the captive diplomats, the perpetration of such deeds by those brought to political power on the basis of their religious credentials, the unawareness of the Iranian people that such acts were being committed in their name, and the consequent shame they must feel for their leadership. VOA and the other instruments in effect could have preempted and then reinforced the 38 Iranian academics, writers and attorneys who last February publicly blasted the clerics for severe political repression and economic chaos.

Such a campaign could have been waged during slots identified as "commentary" if U.S. policymakers determined that power was slipping from the clerics in any case, that their continued hold

on power was truly detrimental, that the probable leadership replacement would be no worse and might be better, and that this type of campaign had some chance of success. Even with all conditions met, this would have been a most exceptional exercise of U.S. public diplomacy in the Third World. Then again, the U.S.-Iran relationship of late has been most exceptional.

Public diplomacy vis-à-vis the Soviet bloc raises other, more vexing questions, that go to the heart of U.S.-Soviet relations. Radio Free Europe, Radio Liberty and voa broadcasts to the communist bloc may presume that "the truth shall make you free," but the reality is trickier. One thinks of Hungary in 1956, when RFE broadcasts brought the truth but also suggested the possibility of more concrete U.S. assistance to the people—assistance which was not forthcoming when the Hungarians rose up to make themselves free.

What is in question is the larger issue of U.S. strategy toward the Soviet Union and Eastern Europe and whether we can or should act to destabilize regimes there. In theory, one could envisage a passive strategy that simply accepted the present Soviet regime and its control over the East European nations. And to fit with such a strategy, any information policy would avoid arousing dormant or repressed forces of instability within the bloc. On the other hand, we could choose a more activist strategy, affirmatively seeking a devolution of the Soviet empire into free states at some point in the future. This would be consistent with an information policy that stressed outright attacks on the regimes and actively encouraged change.

In practice, of course, American policy toward the Soviet bloc has never been defined in such neat terms. Public diplomacy has been on both sides of the dichotomy and no doubt will continue to be. While refraining from advocating overthrowing the regimes, it serves to build up informed publics which act as a restraint on their communist rulers. This process is palpably underway across Eastern Europe, which may be a harbinger of things to come in the U.S.S.R. itself. Foreign broadcasts to non-Russian nationalities in their own languages telling about their own cultures and histories invariably reinforce the separate identity of these peoples. RFE's and RL's criticisms of the communist systems and commendations of their citizens invariably arouse destabilizing sentiments. voa, as mentioned, has trod more gingerly in its Soviet-bloc programming.

But in their Soviet dealings officials in U.S. public diplomacy occasionally suffer more from naïveté than timidity. In 1977, for

example, the ICA sponsored a project whose goal was laudable, for American and Soviet scholars to clean up distortions in their educational material. An American team of private scholars held a number of conferences with Soviet educational bureaucrats to evaluate each other's high school textbooks. Its spirit was good-hearted; the Russians objected to the use of "Nikolai Lenin" in one textbook since their patriarch signed his name "N. Lenin" only once, while the Americans demurred at the way the standard Soviet textbook treated the Cuban missile crisis: "The U.S. created a crisis which pushed the world to the brink of thermonuclear war," one narrowly averted "thanks only to the hardline and decisive measures of the Soviet Union." The U.S. team leader was all too good-hearted when explaining. "In many ways, the book is factually correct. The only thing missing is any mention of the Soviet missiles."¹⁰ The project leader's and in fact the project's naïveté are unsettling.

Equally unsettling was the offer on the part of the Chairman of the Board for International Broadcasting in 1978 for RFE or RL to give air time to any Soviet-bloc government wishing to register a complaint or make corrections of RFE or RL broadcasts. This was offered as if the communist regimes lacked sufficient means of their own to air slogans and diatribes. The objective of RFE and RL is to break the listeners' total immersion in communist misinformation, not to add to it.

These two cases reveal the chimerical assumption that the Soviets use educational and informational material as Americans do, namely to seek truth regardless of political effect. Friedrich A. Hayek argued in 1944 that "the main cause of the ineffectiveness" of the British information effort as a whole was "that those directing it seem to have lost their own belief in the peculiar values of English civilization or to be completely ignorant of the main points on which it differs from that of other people."¹¹ Such instances also make one wonder how well these leaders of agencies mandated to foster international understanding actually do understand other nations.

With greater understanding of the Soviet Union, leaders of public diplomacy could proceed on a middle ground between the approaches sketched above. Here the focus would be less on ideological anti-communism than on Soviet expansionism. The devolution of the Soviet Union or perhaps of its empire in Eastern

¹⁰ Kenneth L. Adelman, "Telling America's Story Abroad," *The Washington Post*, July 6, 1980, p. D5.

¹¹ Friedrich A. Hayek, *The Road to Serfdom*, University of Chicago Press, 1944, pp. 216-17.

Europe would be deemed too ambitious or provocative a goal. Hence the spotlight would be turned upon distant members or associates of the Soviet empire who are embarked on their own aggression and are vulnerable in some manner.

Two examples spring to mind. The first is Vietnam—a country of declining economic fortunes, politically close solely to Moscow, and culturally quarantined. It is bent on expansionism in Laos and especially Cambodia, where it now has 200,000 troops. Foreign broadcasts could dwell upon such facts and highlight the increasing use of Vietnamese ports by Soviet ships and planes for Moscow's power-projection and intelligence-gathering purposes. Such a major Soviet presence evidently rankles the Vietnamese, though they can do little about it now. Harping on this topic, including a dose of quotations from Ho Chi Minh stating that Vietnam will never become a staging ground for either superpower, could rub already tender sores raw. The long-term consequences of so using VOA's three hours a day of Vietnamese broadcasts (and of increasing this program) could advance American interests and those of our Asian allies.

The second example is Cuba. Broadcasts could target the Cubans stationed across Africa and those back home. Cubans in both places seem increasingly uninspired by Fidel Castro. Today Cuba receives five and a half hours a day of standard VOA fare to Latin America. Were it given its own VOA program, as it was between 1962 and 1974, special emphasis could be devoted to the casualty rates of Cuban troops in Africa and their discontent at being there, and the declining fortunes of Cuban citizens at home. Interviews with some among the one million of Cuba's citizens who became refugees would point up Castro's political repression. (ICA has done some of this, but not enough.) On the economic side, VOA could do no better than to repeat Castro's lamentations (in December 1979) that Cuba was "sailing in a sea of difficulties" surrounded by problems that could last "20 years or who knows how long." World Bank statistics could be cited which show Cuba's per capita gross national product declining by 0.2 percent per year since 1960, making it unique in having such a consistent decline despite enormous outside assistance. In 1959, Cuba had the third highest per capita income in the hemisphere; today it has one of the lowest. Twenty years after the revolution, stringent rationing continues, the economy is declining and unemployment is on the rise. In sum, there is grist enough for a public diplomacy campaign toward Cuba, should policymakers adopt a more confrontational approach.

VI

Changes in ICA's missions have moved it in the opposite direction. In 1978, President Carter gave the ICA what has come to be called its "second mandate"—to learn about other cultures as well as tell others of ours.¹² While noble in intent, the second mandate runs into practical problems. There are legal restrictions on ICA activities within the United States and financial restrictions on the ICA taking up a second mandate when its budget does not allow fulfillment of its first.

As commonly interpreted, the second mandate should be phased out for more pressing ICA needs. But as written, parts of it should be phased in vigorously. ICA should better "insure that our Government adequately understands foreign public opinion and culture for policy-making purposes." This has not been effectively done since the Eisenhower and Kennedy eras.

President Eisenhower conferred with the USIA leadership at least once a month; he felt that U.S. information programs had shortened World War II and saved countless lives. Eisenhower strongly believed in what he dubbed "the P factor," the psychological dimension of foreign affairs.¹³ Often during National Security Council meetings he would ask the USIA Director how alternative U.S. moves would be perceived abroad. President Kennedy likewise invited his USIA Director, Edward R. Murrow, to sit in on NSC meetings so as to be "in on the takeoffs as well as the crashes."

Since those days, information agencies have had less direct effect on policy formulation. Their contributions could again become valuable were they given more top-level attention, for ICA and RFE/RL studies on foreign public opinion are usually of high quality and of direct policy relevance. One recent ICA study revealed that 70 high Japanese security experts, both in government and in academia, thought that the Soviets would hold the military edge in this decade and that the U.S. capability to protect Japan was increasingly dubious. Yet these Japanese expressed no support for a U.S.-Japan-China security pact and scant support for major increases in Japan's own forces. A recent RFE/RL study found that "if a serious conflict should develop between the U.S.

¹² The President's March 13, 1978 memorandum instructs ICA "to insure that our Government adequately understands foreign public opinion and culture for policy-making purposes, and assist individual Americans and institutions in learning about other nations and cultures."

¹³ Eisenhower was quite correct. To take a more recent example: no matter how *logical* President Carter's 1977 proposal to withdraw U.S. ground troops from Korea may have been in terms of the balance of forces on that particular peninsula, the *psychological* impact was devastating throughout Asia.

and U.S.S.R.," the "sympathies" of East Europeans would lie with the United States (over half of respondents) rather than with the Soviet Union (less than one-tenth). This finding should affect NATO planning, as it deals with the largest unknown factor: the reliability of other Warsaw Pact members in the event of an East-West conflict. A third study, also by RFE/RL and later corroborated by French researchers, shows that a majority of Poles say they would offer resistance to a Soviet invasion.¹⁴

ICA officers abroad could contribute more to policy formulation were they heeded more, for they routinely interact with foreign students and educators, journalists and artists, cultural and intellectual leaders—groups infrequently contacted by State Department political and economic officers. ICA representatives abroad should more fully report the moods and opinions prevailing in these critical quarters. Finally, they can often provide useful judgments on probable social and cultural effects of political and economic events in their country, an area of ever-mounting significance—as the Iranian Revolution again indicates.

None of this has been adequately done lately. In part this is because ICA officers, who frequently come from the academic or cultural communities, resist any major reporting function. In part it is also due to State Department resistance. Regular diplomats assert that such insights are either of secondary importance or, if primary, can be gleaned from their own reporting. This tension has prevailed between normal diplomacy and public diplomacy, and has thwarted U.S. information services over the years.

VII

Traditional diplomacy is formal and official; public diplomacy is usually informal and engages non-officials. Traditional diplomacy is private and quiet, while public diplomacy is open and can be noisy. Traditional diplomacy seeks to avoid controversy, to smooth out differences, whereas public diplomacy tends to expose and stimulate controversy, whether artistic or intellectual or political. The most fervent proponents of traditional diplomacy, such as Henry Kissinger, are among those least inclined toward public diplomacy.

This attitude on the part of the State Department leads to the downgrading of the ICA and those who serve there. Along with

¹⁴ These three studies are: "Japanese Perceptions of Defense Issues: A Study of 'Defense Influentials,'" International Communication Agency study R-381, January 30, 1981; "Second Preliminary Report on East European Public Opinion in a Conflict Situation Between the U.S. and the Soviet Union," RFE/RL, Inc. Memorandum, 30 September 1980; and "The 'Inside Poland Poll' of Early November 1980," RFE/RL, Inc. Memorandum, November 1980.

political appointees, career Foreign Service officers staff virtually all the top ICA positions. But the fast track for young officers has been in the political and economic realms. Career information officers rarely receive an equivalent number of ambassadorships. The best and the brightest thus tend to avoid an ICA assignment and this, over time, means a lower caliber of ICA officers and lower morale in ICA offices.

This sad state could be turned around slowly but steadily were public diplomacy given the kind of financial and institutional backing anticipated by the Reagan Administration. To fulfill its role, the ICA must be reintegrated into the highest councils of foreign policy making. To fulfill their role, ICA leaders must grasp the nuances, goals, conflicts and opportunities of major foreign policy decisions. Otherwise they would be as handicapped as a White House press secretary solely dependent upon official policy statements for his information.

Working relationships within the government have to be refashioned accordingly. At present, the Secretary of State is supposed to direct ICA's general policy even though he lacks control over its budget, management, personnel and day-to-day functions. If the Secretary is to be the main spokesman and adviser on U.S. foreign policy, as Mr. Reagan has pledged, then he needs effective control over public diplomacy.

How this is done is less important than that it be done. The 1975 Stanton Panel recommended formation of a new State Department Office of Policy Information, headed by a Deputy Under Secretary, to centralize international communications policy, including instruments of public diplomacy (except VOA). This new office may be desirable, or policysetting for such programs could be handled by an existing State Department office if given sufficient responsibility and personnel. Over the past four years, the Deputy Secretary of State assumed a coordinating function though he had neither the time nor the separate staff to fulfill it.

Regardless of the institutional arrangement, ICA needs to become truly responsive to a Secretary of State eager to use and guide this instrument. Then the interpretation and advocacy of U.S. foreign policy would be, as it should be, folded into the formulation of U.S. foreign policy.¹⁵

¹⁵ This is not to exclude a role for outsiders, for there is such a role. It is important, though it has yet to be properly fulfilled. When ICA was established, an advisory group was also established by law—the U.S. Advisory Commission on Public Diplomacy. Unfortunately, it took a year and a half for the seven members to be named by the President and then another year for its first report to be issued (1980). More unfortunate still, the Commission has thus far functioned merely as an adoring advocate of the ICA rather than serving to probe, prod and formulate new approaches.

This folding-in must encompass the Voice of America, even though the Stanton Panel and others recommended handing it greater independence. voa's commentaries should be molded to the contours of U.S. foreign policy and become expressions of clear positions (as they exist) rather than extensions of general news reports or analyses (as they are). Commentaries could then be modulated, varying as U.S. relations with a particular country vary from time to time.

The other 90 percent or more of voa's broadcasting—the regular news, cultural and Americana features—can best be handled by voa without interference from State or even ICA. Most voa directors seem to have either resigned in bitterness or have been let go because they lacked sufficient control over their personnel, budget, research, and congressional relations. For the sake of its morale, its essential reputation for credibility, and simple managerial efficiency, these standard voa operations should be handled in-house.

VIII

Alexander Hamilton may have been correct in the 1780s that the influence of our example had penetrated the gloomy regions of despotism. But in the 1980s, this penetration must be more active, even spirited. A war of ideas is being waged around the world, and the believers in liberty had best act or risk losing by default. The essential quality of human life is a factor, not so much of how one lives, but of why. It is values, rather than structures or laws, which govern human existence. In essence, what people think and what they believe constitute the core of their lives. All else constitutes the cloakings.

As a means of conveying human values and as an instrument of U.S. foreign policy, public diplomacy has been squandered in the past. It can and should advance U.S. national interests before friend and foe alike and, more vitally, bring the message of freedom to today's gloomy regions of despotism. The personalities, technologies, and international conditions now seem ripe for the effort.

COMMENT AND CORRESPONDENCE

SOUTH AFRICA'S BLACKS

To the Editor:

Chester A. Crocker, in his "South Africa: Strategy for Change" (Winter 1980/81) advocates a policy of "constructive engagement" that will "steer between the twin dangers of abetting violence in the Republic and aligning ourselves with the cause of white rule." He runs the grave risk, however, of incurring both dangers: aligning the United States even more closely than it already is with a system lacking black consent and based on violence, thus abetting counterviolence.

Mr. Crocker's is the most sophisticated and pragmatic analysis one could hope for from an Assistant Secretary of State for African Affairs in the Reagan Administration. He is well aware of the shortsightedness of those who favor a *de facto* alliance with South Africa. He also challenges liberal critics to reexamine their own analysis by his emphasis upon the realities of white power and the need for the United States to actively support step-by-step negotiation with blacks as the only alternative to revolutionary violence. But he fails to come to grips with black political realities, gambles on the distant possibility that "white-led change" will be "real," assumes that an endless timetable is available, and is so fearful of "political disintegration" benefiting "our global adversary" that it is difficult to see how he can avoid a continuing identification with any white regime that can maintain order.

Mr. Crocker's hope that increased trade and investment will strengthen blacks in the long run and enable them to "demand" power-sharing is based upon a long-challenged belief regarding economic growth that cannot be dealt with here. But it should be worth noting that most black leaders who favor a process of nonviolent and radical change cannot envisage it occurring except in response to overwhelming pressures. Concerted Western economic pressures, they have hoped (but may no longer), could serve as a "last-chance catalyst" for negotiation.

The negotiations with "freely chosen" representatives that he advocates depend upon another prerequisite that is hardly touched upon by Mr. Crocker: the beginning of a rollback of the past 30 years of repressive legislation and practice, which is becoming even more effective today, thus undoing step by step the South African police state.

In a negotiating process involving a white society long bedeviled by preoccupation with the implications of even minor reforms, change cannot move surreptitiously toward a controversial goal. The direction of change is the crucial issue and cannot be evaded. Depending on circumstances, there is probably room for negotiation about a unitary or federal state, constitutional structure and guarantees, the role of free enterprise, and the timetable of change. But the goal of nearly all popular African leaders since the end of World War II is nonnegotiable: an equal franchise and majority rule in an undivided South Africa.

In recognition of this, the then Vice President Walter Mondale spoke of "full political participation" (the State Department's bland wording) during his meeting with Prime Minister Vorster in 1977; afterward, when asked if

this meant "one man, one vote," he properly answered yes. Mr. Crocker makes no mention of the franchise and uses a meaningless phrase when he speaks of "the goal of expanded black political advancement."

Thus he does not go as far as Harry Oppenheimer, South Africa's preeminent capitalist and long-standing advocate of a qualified franchise, who now sees that power-sharing must mean "one man, one vote" and that "substantial steps" must be taken toward it within the next five years "to avoid a revolution in South Africa."

Mr. Crocker's description of the "increasingly complex puzzle" of black politics overlooks unifying and radical trends and the dramatic resurgence of the African National Congress (ANC), but he is well in advance of the George Kennan who a decade ago in *Foreign Affairs* compared the "mind of the South African native" to "a book with seven seals."¹ One wishes, however, that in his studies and travels Mr. Crocker had given equal time to black politics. He emphasizes the importance of Afrikaner nationalism but says nothing about the equally long history of African nationalism. He refers to 22 white politicians but to only two African politicians. He makes praiseworthy judgments about many whites that could apply equally to blacks. He speaks of the "suffering and injustice" faced by blacks but not of their "awesome political dilemma," which is what faces whites. He refers to "those with nothing to lose in a violent upheaval," apparently forgetting the loss of life that young Africans face on the gallows for engaging in what Secretary of State Alexander Haig has described, in referring to the American Revolution, as "armed conflict" or "insurrection, if you will" for "freedom and liberties."

As Mr. Crocker points out, the black opposition is unable to mount "a direct assault on white power." But revolution as a process of undermining white domination has been going on irregularly and with increasing militancy for over 30 years. No end is yet in sight; but in 1980, marked by continued white intransigence regarding a basic change in direction, the pace quickened as waves of boycotts and strikes became endemic. Meanwhile, the ANC, committed to "armed struggle" but rejecting terrorism, takes the long view and emphasizes mass politicization and protests, boycotts and work stoppages. In the midst of this chronic, if not critical, revolutionary situation, Mr. Crocker proposes that the United States "align itself" with the "official modernizers," the "modernizing patriots" of the South African Defense Force, and "other [undefined] agents of change." The latter, presumably, are internal black elites whose rivalry with the ANC—is this said with equanimity?—"may deepen" with "the passage of time."

Thus it appears that U.S. policy toward South Africa during the next four years will undergo more than a change in style and tone. Under President Carter, the United States at least threatened, though not credibly, to distance itself if the regime did not begin to open up the political process and move toward negotiation with representatives of all South Africans. Under President Reagan, it seems poised to shift substantially to one side.

THOMAS KARIS
Professor of Political Science
City University of New York

¹ George F. Kennan, "Hazardous Courses in Southern Africa," *Foreign Affairs*, January 1971.

ALLIANCE WITH CHINA

To the Editor:

In his "China Policy for the 1980s" (Winter 1980/81), Michel Oksenberg offers many thoroughly reasonable, if perhaps obvious, views, as well as some that seem neither obvious nor reasonable to me.

To me the sticking point—and the decisive occasion for this letter—consists of Mr. Oksenberg's proposition: "Our self-interest dictates that we eschew seeking an alliance with China," and the three arguments he uses to support it. The arguments are: (1) we need "agility and suppleness which additions to our existing alliance system would impair"; (2) "Nor does China seek an alliance with us"; and (3) "Moreover, we do have potential conflicts of interest [with China] in Korea, Taiwan and Southeast Asia."

Let me consider the arguments I numbered in reverse order. (3) Indeed, there are "potential conflicts." Mr. Oksenberg does not indicate why these potentialities should lead us to "eschew" an alliance. Not only are these "potential conflicts" quite susceptible to settlement, they are also superseded by our common interest in containing the Soviet Union, which does not depend on settling them.

(2) "Nor does China seek an alliance with us." Wherein is that a reason for our "eschewing" an alliance with China—which is what Mr. Oksenberg is arguing for? Surely China's presumed attitude would not make the alliance undesirable for us—although, if true, it would make the alliance harder to achieve. But we have made no effort to find out about the Chinese attitude.

(1) "Agility" is desirable, and Mr. Oksenberg is right: any commitment reduces it. But the question is whether the advantages of the commitment to this alliance warrant the decrease in agility. Mr. Oksenberg does not mention this possibility. Yet any commitment, any alliance, reduces "agility." Marriage does. Is Mr. Oksenberg opposed to it in principle?

Which brings me back to the proposition which Mr. Oksenberg has failed to support: "Our self-interest dictates that we eschew an alliance with China." Does it? Let me suggest some reasons which lead me to believe that such an alliance—cautiously engaged in—may be in the interest of the United States, of China, and of the free world. Note first that "alliance" may involve any degree of obligation, and of automaticity, although it does, and should, involve more collaboration with China than we now are engaged in.

Our alliance with Western Europe, via NATO, is justified inasmuch as it strengthens defenses against the Soviet Union and deters it from further forcible expansion in the area. *Mutatis mutandis*, would this not hold true for an alliance with China? To be sure, our European allies are culturally, geographically and politically nearer to us. But there is also a common-interest basis for the alliance: it is not in their interest or in ours to allow the Soviet Union to extend its dominion over them. Isn't that the case with China as well? And would not our alliance with China, duly and cautiously implemented, greatly reduce the threat of Soviet expansion anywhere, and the resources available to the Soviet Union to threaten or pursue it? By providing the Chinese with anti-tank and anti-aircraft weapons we could greatly strengthen China's defenses. To be sure, no weapon is exclusively defensive. But it would be hard even for the Soviet Union to argue that these weapons could help the greatly under-armed Chinese to invade Soviet territory.

There is in the foreseeable future little danger that such arms could strengthen China to the point of threatening our interests, say, in Taiwan, or,

for that matter, of encouraging Chinese attacks on its neighbors, including the Soviet Union.

Yet it is in our interest to help correct the Sino-Soviet imbalance at least to the point where a Soviet invasion of China would be more costly than it now is, and indeed too costly to attempt—even to the point, perhaps, where the Soviet Union feels sufficiently uneasy about China to be more discouraged than it now is from threatening the West, or from adventures in Africa.

We cannot and should not fully arm China. I am not sure that we should fully arm anyone (we might learn from our experience in Iran). But to help China to be more capable of defending itself is no less in our interest than it is to help West Germany (or Japan) to defend itself. And obviously any increase in Chinese military capacity tends to reduce the Soviet pressure on Western Europe and other parts of the world.

The policy I propose—and it does not matter whether one calls it an alliance—has some potential risks. All policies do. But it seems to me that the risks are less than those of assuming that “our self-interest dictates that we eschew seeking an alliance with China,” and the potential benefits greater.

ERNEST VAN DEN HAAG
New York, N.Y.

Mr. Oksenberg replies:

Mr. van den Haag raises two important issues: Is precision important in describing the relationship we seek with China? And should the United States provide China with select weaponry?

On the first point I believe wording is important. “Alliance” to me describes a considerable degree of commitment in confidence between the partners. It usually goes beyond weapons sales to include a willingness to host allied forces on one’s soil and an obligation to support one’s ally should it become involved in a conflict. I recommend that the United States not aspire to this level of intimacy with China. At present, American foreign policy in many ways is aligned with that of China, and this facilitates cooperation. But it is important to keep mutual expectations realistic. That is why I referred to the Chinese disinterest in alliance and the potential conflicts of interest between us. In the final analysis China can only provide a supplement to, and not a substitute for, American strength against the Soviet Union. It is important through our word choice to remain aware not only of the importance of our China relationship but its limitations as well.

As to the weapons issue, obviously we sell weapons to many countries which are not our allies. As for China, I concluded that no decision need be made at this moment to provide weapons, but I did not foreclose the possibility of future weapons sales. In my opinion the immediate task for both sides is to consummate military equipment sales within the path-breaking guidelines, and to explore ways of enhancing our military relationship. I believe our relationship with China will develop best if it expands realistically but persistently on a step-by-step basis.

IMMIGRATION ECONOMICS

To the Editor:

Michael S. Teitelbaum’s article on immigration, in your Fall 1980 issue, is the clearest, most comprehensive, and best balanced discussion of the complex of elements making up the “immigration problem” that has appeared to date.

Still, there is one significant element missing from Mr. Teitelbaum's treatment of illegal workers and the American labor force, and two on which he does not bring out their full implications. The element missing is that the presence of large numbers of illegal workers may supply a necessary elasticity in the supply of labor to certain industries or enterprises. The other two elements are (1) the consequences of a sudden dwindling of the supply of cheap, foreign-born (mostly illegal) labor, and (2) the analysis of the costs and benefits of that labor supply to various segments of the society.

The heaviest use of illegal labor is usually attributed to four employment areas: agribusiness; the garment industry, particularly in southern California; the hotel-motel-restaurant industry; and the lower level of "pick-and-shovel" construction work. These are also industries which, as currently constituted, need a considerable degree of elasticity in their labor supplies in order to meet great seasonal variations in their labor needs or to respond to market demands. The concentration of illegal labor in these areas suggests that the illegal-alien labor force may function as a labor reserve: idle much of the time, but ready to come "on line" immediately as needed.

The role of illegal aliens in elasticizing the labor supply is largely ignored in the literature and it is further obscured by the insistence of investigators in studying hourly wage differentials among industries and between legal and illegal components of the work force within an industry. As anyone who has ever worked in a cannery or packing shed, picked fruit, dug ditches, or cleared tables knows, the hourly wage is not the prime determinant of the attractiveness of these jobs. The big question is how many hours "they are going to let you have" this week and the number of weeks the job is going to last. The annual or total seasonal income of the illegal worker should be the focus of study, not the hourly wage. It is only when the longer term pattern of his income is viewed that we can see the nature of his competition with "legal" workers and his role in the labor force.

In interviews conducted in 1977 among illegal workers from Mexico, mostly employed in agribusiness, and among another group employed in building small concrete patios in a large housing tract in 1979, I did not find that hourly wages were below the range of pay prevailing among legal workers doing the same kinds of work at the same time. This conclusion was sustained by the examination of several hundred Immigration and Naturalization Service Forms I-213, Report of Deportable Alien.

However, I seldom encountered an illegal worker who made more than \$5,000 per year and an illegal worker who had taken home \$500 per month for three consecutive months felt himself to have done quite well. The social and residential patterns of these workers seem to have evolved with irregular employment and underemployment as a determining force. The typical pattern was that of an all-male residential unit of three to eight members who paid rent collectively and prepared most of their meals together. An articulated reason for living this way was that with a number living together, someone would always have a job and be able to pay the rent and buy the food.

The first question that arises is whether there is a sufficient number of people now unemployed or completely out of the labor force who would adopt the social patterns necessary to participate in the economy as the illegal aliens do. The second is whether the industries and enterprises now utilizing the elasticity which the aliens and their way of living affords can adapt their labor practices to provide the "good, steady work" attractive to native and legally

immigrated workers and still survive in the marketplace.

This leads us to ponder the results of terminating or severely depressing the availability of illegal labor. Mr. Teitelbaum suggests two consequences: the "mechanization of tasks" now performed by the cheap labor and "stimulating labor-force participation" by workers not attracted by these jobs because the pay is not good enough. There are at least three other possible consequences. The industries and enterprises now using illegal labor could be forced out of business and the goods and services they provide would disappear from the marketplace. Life is possible without cantaloupes. Another possibility is that the goods and services now available through the utilization of illegal labor would remain available but at a higher price. The cost of a backyard patio would go up a hundred dollars, the price of a shirt would go up 50 cents. The third possibility is that the operations would go "offshore," as they say in the garment industry, and the shirt would be made in Hong Kong instead of Long Beach, and the cantaloupe would be grown in Sonora's Yaqui River valley instead of California's San Joaquin River valley. None of these three consequences will improve the quantity or quality of employment in the United States. Indeed, the likelihood is that each of them would reduce the number of good, steady jobs available to native and legally immigrated workers.

Finally, Mr. Teitelbaum's point that the costs and benefits of "large-scale immigration" are distributed differentially is worth underscoring. Too often the issue is discussed in terms of being "good" or "bad" for "the economy" or "the country." His proposition is that the beneficiaries are the "immigrants" themselves, their employers, and middle-class consumers, with the costs being paid by "relatively disadvantaged citizens" who must compete with workers highly motivated by hope or desperation. This seems reasonable but it is not a sufficient insight to help in policy determination. The question here is how much benefit to whom at how much cost to others.

The whole of the discussion of immigration is proceeding on the basis of information that is limited, inadequately reported, and sometimes fanciful. We do not even have a usable figure for the size of *legal* net immigration. It is worse when we deal with illegal immigration. There is agreement that the size of the illegal population is four to six million, but agreement does not confer validity in objective reality. Then, when we start plumbing the depths to establish the role of this indistinct presence in something as intricate as the labor force, wise men will proceed cautiously.

LOY BILDERBACK
School of Social Sciences
California State University (Fresno)

Mr. Bilderback is coauthor, with Paul and Anne Ehrlich, of *The Golden Door: International Migration, Mexico, and the United States*, New York: Ballantine, 1979.

To The Editor:

Michael S. Teitelbaum's article on immigration is significant in that it highlights an area of growing concern. He errs, however, in his approach to the problem's solution. It is not in the interest of the United States to mire attempting immigrants in increasingly troublesome legal problems. Rather, we should change our standards for acceptance to those areas where quick decisions are possible, and judicial appeal unproductive; extracting higher fees from those who want to live here is just such a way.

There are those who will come here regardless of the cost, and those who will stay away no matter what the incentive. For the great mass of mankind, however, immigration to the United States will be limited to those who hope to benefit economically from doing so. Currently, permanent residencies for the legally qualified cost \$40-60. For the unqualified, they are theoretically unavailable at any price.

As a career Immigration officer, my choice is limited to Yes or No. How much better it would be if we could complement our legal choices with a pricing mechanism! The aged parent of a U.S. citizen is rightly given permanent residence for \$40, but the married brother or sister of one should be charged something more like \$2,500. A non-preference immigrant with business interests here might qualify for \$10,000. The "tax," coming from outside our economic system, would be comparatively noninflationary. The incentive to fraud would be lessened, and a revenue-producing Immigration Service would gain needed respect for intergovernmental dealings.

JOHN C. TIERNEY
U.S. Immigration Service
West Palm Beach, Fla.

Mr. Teitelbaum replies:

It is difficult to know how to respond to Mr. Tierney's suggestion of a price-allocation mechanism for immigration visas. If it is intended seriously, one can only note that no market mechanism is actually being proposed—only a set of government-administered prices, with no indication as to how these would be set. (On what basis should the fee for an "investor" be \$10,000—and not \$150,000, or \$500?) If the suggestion is facetious in intent, we may move on in the flush of amusement.

Mr. Bilderback's comments are clearer. His suggestion that industries employing large numbers of illegal aliens have "co-evolved" with their availability is well stated, and is exactly what one would expect in a supply-demand situation. Reduction of the supply surely would stimulate gradual adjustment to changing market conditions in such industries, which at present are in effect being subsidized through nonenforcement of applicable laws. No corporate catastrophes need arise if the change is gradual rather than sudden. Two of the industries he mentions (hotel-motel-restaurant and "pick-and-shovel" construction) appear to exist quite happily in regions with few illegal immigrant workers, and neither has the option of moving offshore. In the other two industries mentioned (garments and agribusiness) there are many legal residents willing and able to work under decent wage and working conditions, as César Chavez' United Farm Workers union will attest. Some marginal price increases might result over a period of years (e.g., the 50 cents per shirt mentioned by Mr. Bilderback), but the cost of continued undercutting and direct or indirect displacement of American workers seems a higher price in both economic and social terms.

Whatever might be the effects of rationalizing the present disarray of policy, they cannot possibly be "sudden." It will take several years to establish effective immigration law and practice, and no one is suggesting large-scale repatriation of present illegal aliens. The industries that have "co-evolved" with the present situation would have many years to "re-evolve," so as to be competitive under the market conditions now faced by all other American employers.

THE SHAH AND THE SEA

To the Editor:

I enjoyed reading Ms. Claudia Wright's article, "Implications of the Iraq-Iran War," in your Winter 1980/81 issue. Although I do appreciate her citing my article on Iran, I would like to clarify several points to avoid any misconception. I believe that her critical remarks on maritime legal developments in the Persian Gulf are ambiguous and lend themselves to misunderstanding. In addition, a word needs to be said about the general manner in which she deals with the Shah's offshore agreements with other Gulf states.

First, Ms. Wright's remarks on the timing and substance of Gulf maritime legal developments create the wrong impression. She states, "In 1959 Iran extended its territorial waters to the 12-mile limit. The Arabs were in no position to contest the claim militarily." While such might have been the case, the Arabs had no basis upon which to contest the claim at all. Saudi Arabia and Iraq had each adopted the 12-mile limit the year before, 1958. Moreover, Iran's claim to a 12-mile territorial sea followed certain bellicose remarks made by Iraq's President Qasim, who suggested that Iraq "restore" part of the Shatt al Arab previously granted to Iran.

Furthermore, she states: "In the 1960s and early 1970s, the Shah was also able to extract agreements from Saudi Arabia, Qatar, Bahrain, Oman, Dubai, and Sharja dealing with the demarcation of the continental shelf, fishing zones, and island sovereignty—many of them vague on the exact location of boundary lines and of doubtful legality on the limits of sovereignty." Here her description is particularly problematic. She does not distinguish between negotiated agreements and unilateral national claims to fishing zones. While her use of "vague" and "of doubtful legality" might be selectively applicable, it detracts from the international legal significance of the continental-shelf boundary agreements reached in the Gulf during this period. The creative application of "equitable principles" by Iran and its Arab neighbors, especially in dealing with the presence of natural resources and islands, has played an important role in the development of the law of the sea.

Second, Ms. Wright's assertion that "the Shah was able to extract agreements" from other Gulf states and her subsequent reference to "the Iranian protectorate of the Gulf" are characteristic of those who label the Shah's Gulf policy hegemonic or expansionist. While many agree with her, I would caution against such an analysis. This approach tends to oversimplify the complex relationships existing in the Gulf. Iranian and Arab national aspirations clash, but the interests shared by Iran and the Arab Gulf states should not be overlooked. For example, it would be misleading to assume that the continental-shelf boundary agreements were simply extracted by the Shah, when they served the interests of both Iran and the individual Arab states. All parties benefited from these agreements. They not only provided for the exploitation of offshore oil in a sound legal environment without the problem of overlapping concessions, but also fostered regional stability.

CHARLES G. MACDONALD
Assistant Professor of International Relations
Florida International University
North Miami, Fla.

RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

John C. Campbell

THEORIES OF IMPERIALISM. By Wolfgang J. Mommsen. New York: Random House, 1981, 180 pp. \$9.95.

A German historian takes a long look at imperialism and how it has been described and interpreted over the past 100 years by Marxists, neo-Marxists and non-Marxists. His analysis is lean, clear, and very much to the point. Although the age of classical imperialism may be over and most of the theories invalid, their continued advocacy and attraction, against the background of the gap between the advanced and underdeveloped countries, remain important facts of international life. The German original of the book was published in 1977.

SOCIAL POWER AND POLITICAL FREEDOM. By Gene Sharp. Boston: Porter Sargent, 1980, 456 pp. \$15.95 (Paper, \$8.95).

A treatise on political theory and a call to new thought and action against the institutionalized violence which takes the form of war, genocide, dictatorship or social oppression. Sharp, an enemy of centralized power and an advocate of nonviolent resistance and sanctions, is not afraid to think boldly, although the kind of social action he calls for seems far beyond man's present capabilities and intentions.

TOWARD A HUMANITARIAN DIPLOMACY. Edited by Tom J. Farer. New York: New York University Press, 1980, 288 pp. (New York: Columbia University Press, distributor, \$15.00).

Tom Farer has proved himself, in writing and in action, a doughty champion of human rights. Here he reviews recent U.S. foreign policy in that field, applauding the accomplishments of the Carter period, recognizing the limits, and giving some practical advice. The remaining contributions include a discussion of the politics of human rights in Washington (by Sandra Vogelgesang), and critical case studies by country experts on what U.S. policy should be, or should have been, in South Africa, Iran and Korea.

PHILANTHROPY AND CULTURAL IMPERIALISM: THE FOUNDATIONS AT HOME AND ABROAD. Edited by Robert F. Arnove. Boston: G.K. Hall, 1980, 473 pp. \$24.95.

NOTE—BY SPECIAL ARRANGEMENT WITH THE MCGRAW-HILL BOOKSTORE, READERS OF FOREIGN AFFAIRS MAY OBTAIN NEARLY ANY BOOK PUBLISHED IN THE UNITED STATES AT THE PUBLISHER'S REGULAR LIST PRICE. WITHIN THE U.S., PLEASE ADD 95¢ PER BOOK FOR POSTAGE PLUS APPROPRIATE SALES TAX. IF OUTSIDE, PLEASE ADD \$1.50 PER BOOK FOR POSTAGE AND 95¢ PER ORDER FOR REGISTRATION. SEND ORDERS WITH CHECK OR MONEY ORDER TO: THE MCGRAW-HILL BOOKSTORE, 1221 AVENUE OF THE AMERICAS, NEW YORK, N.Y. 10020.

946 FOREIGN AFFAIRS

Essays by academics on the activities and influence of the big foundations (principally Ford, Rockefeller and Carnegie) here and abroad. A central theme, according to the editor, is that their influence is corrosive and helps to maintain the status quo and ruling-class interests, although not all the authors plug the theme with the same intensity. The essays reveal close study of the subject and are studded with footnotes, but the people responsible for foundation activities may have difficulty recognizing in these pages either their aims or their accomplishments.

General: Military, Technological, and Scientific

Andrew J. Pierre

THE TERROR NETWORK. By Claire Sterling. New York: Holt, Rinehart and Winston/Reader's Digest Press, 1981, 357 pp. \$13.95.

This book is crucial to understanding the lines of analysis and evidence that apparently lay behind Alexander Haig's strong initial attack on the Soviet Union for fomenting terrorism. Its strengths are many: the author's clear and proven integrity and liberal-moderate credentials; the depth of her carefully footnoted research both into the now-massive literature and reporting on the subject in Europe (much of it little noticed here) and through personal inquiries and visits to trouble spots; the range of cases covered and especially the links established between international terrorist centers and the surges of terrorism in Turkey, by the Provos in Northern Ireland and the U.K., and the ETA Basque movement; and the vividness of her accounts of individual episodes and personalities.

But there are companion weaknesses: synthesis and interpretation either scattered in little pieces or sacrificed to the telling of lurid events; a tendency to accept all printed sources as of equal validity; a high degree of repetition, so that key events recur in different contexts, with some (such as the attack on the Israeli Olympic team in 1972) never clearly recounted in one solid place; and an overuse of strong adjectives. As one reviewer has noted, one can too readily get the feeling that one is being poleaxed into accepting the fundamental points.

All this being said, however, the case that emerges is powerful and persuasive. The Soviet Union has been and remains a central contributor, often indiscriminate and with some unforeseen results; Cuba, the radical PLO and Qaddafi (moving during the decade from Right to Left) the principal immediate promoters. And the results of their parallel efforts have been to transform what would otherwise have been small local movements into major menaces, with the proximate objective (so nearly achieved in Turkey and Spain in recent months) of forcing governments to turn hard Right and prepare the way for chaos and perhaps in the end the hardest Left.

No book could perhaps have pulled together all the strands of a most complex picture. There are omissions: Iran and Saudi Arabia are covered only glancingly, and Latin America hardly at all. Italy, the author's base, may be emphasized a shade more than it now deserves. But all in all this is a landmark book, breaking much new ground and deserving of the care it takes to read it thoroughly.

W.P.B.

THE GLOBAL 2000 REPORT TO THE PRESIDENT. VOL. I: ENTERING THE TWENTY-FIRST CENTURY. VOL. II: THE TECHNICAL REPORT. By the Council on Environmental Quality and the Department of State; Gerald O. Barney, Study Director. Washington: Government Printing Office, 1980, \$3.50 & \$18.00.

This is a massive and important study, in which all relevant U.S. government agencies participated, of world trends in population, natural resources, and the environment. What emerges is a set of global problems of fairly alarming proportions. Serious stresses by the year 2000 are clearly visible in a world more crowded (6.35 billion as compared to 4 billion population in 1975), far more polluted, less stable ecologically, and more vulnerable to disruption. The progressive impoverishment of the world's natural-resource base raises concerns about the earth's capacity to continue to provide for human needs. Because this study is more comprehensive and moderate in tone than many others—such as the Club of Rome's—it may have greater credibility.

THE POLISH CRISIS OF 1980 AND THE POLITICS OF SURVIVAL. By Jane Leftwich Curry. Santa Monica: RAND, 1980, 41 pp.

IF THE SOVIETS INVADE POLAND. By Alexander Alexiev, A. Ross Johnson and S. Enders Wimbush. Santa Monica: RAND, 1980, 9 pp.

EAST EUROPEAN MILITARY ESTABLISHMENTS: THE WARSAW PACT NORTHERN TIER. By A. Ross Johnson, Robert W. Dean and Alexander Alexiev. Santa Monica: RAND, 1980, 205 pp.

These three recent RAND reports are all relevant to the present Polish crisis. The first deals with the complicated domestic balance in Poland while the second points out the high costs that the Soviets would have to pay for intervening. The most interesting, and least transient, is the third, which provides fresh materials on the military establishments of Poland, East Germany and Czechoslovakia. They are seen as “generally unsuited to serve as instruments of domestic repression.”

FORCE REDUCTIONS IN EUROPE: STARTING OVER. By Jeffrey Record. Cambridge: Institute for Foreign Policy Analysis, 1980, 92 pp. \$6.50.

THE NEGOTIATIONS ON MUTUAL AND BALANCED FORCE REDUCTIONS: THE SEARCH FOR ARMS CONTROL IN CENTRAL EUROPE. By John G. Keliher. Elmsford (N.Y.): Pergamon Press, 1980, 204 pp.

Should the MBFR negotiations on force reductions in central Europe, which have dragged on since 1973, be continued? Clearly the Reagan Administration and the European allies will now have to consider this question. Both authors here give a qualified “yes.” In somewhat similar recommendations they call for a new approach based less on actual reductions than on restructuring forces and developing confidence-building measures so as to forestall a surprise attack. Jeffrey Record is with the Institute for Foreign Policy Analysis and John Keliher is a U.S. Army colonel who spent four years on the MBFR delegation in Vienna.

NATO: THE NEXT THIRTY YEARS. Edited by Kenneth A. Myers. Boulder (Colo.): Westview Press, 1980, 469 pp. \$35.00.

948 FOREIGN AFFAIRS

DEFENSE POLITICS OF THE ATLANTIC ALLIANCE. Edited by Edwin H. Fedder. New York: Praeger, 1980, 187 pp.

Each of these volumes is the result of conferences on European-American relations held in September 1979—shortly before Afghanistan. The Myers book consists of the papers prepared for the Georgetown Center for Strategic and International Studies conference in Brussels at which Kissinger cast his widely noted aspersions on the credibility of the U.S. guarantee to Europe. But the book contains much more—including a contribution by Alexander M. Haig, Jr.—and is clearly worth a careful reading. The Fedder volume is more academic in content and contains some interesting chapters on the economics of defense along with others with a more traditional focus.

BRITAIN AND NUCLEAR WEAPONS. By Lawrence Freedman. London: Macmillan (for the Royal Institute of International Affairs), 1980, 160 pp. £12.

As deteriorating economic conditions create still more strains upon defense spending in Britain, the Thatcher government's decision to replace the Royal Navy's Polaris submarines with Trident missiles and new submarines is coming under increasing criticism. This timely and significant book provides an important insight into London's choice between submarine-launched ballistic missiles and cruise missiles. It also includes a discussion of the British approach to NATO's long-range theater nuclear force modernization. Altogether an excellent survey of Britain's nuclear options as debated and decided within the past decade.

"U.S. DEFENSE POLICY IN THE 1980s." Vol. II. Cambridge: *Daedalus*, Winter 1981, 196 pp. \$4.00.

The second volume of the *Daedalus* papers on U.S. defense policy in the 1980s maintains the high standards set by the first volume (noted in *Foreign Affairs*, Winter 1980/81). Yet, given the wide array of authors, there is considerable overlapping and duplication within the *grand oeuvre*—e.g., there are four essays on the Atlantic Alliance—and most readers will want to approach the materials selectively.

NONPROLIFERATION AND U.S. FOREIGN POLICY. Edited by Joseph A. Yager. Washington: Brookings, 1980, 438 pp. \$22.95 (Paper, \$8.95).

The value of this study on the spread of nuclear weapons lies in its region-by-region approach and the emphasis given to national political factors in the ten most likely proliferators. Overall, the authors see a decline in the ability of the United States to check or retard nuclear proliferation. Comprehensive in scope and rich in detail, this is an excellent survey flawed only by the lack of a cutting edge in its policy recommendations.

WHY VIETNAM? By Archimedes L.A. Patti. Berkeley: University of California Press, 1980, 612 pp. \$19.50.

WHEN GOVERNMENTS COLLIDE: COERCION AND DIPLOMACY IN THE VIETNAM CONFLICT, 1964–1968. By Wallace J. Thies. Berkeley: University of California Press, 1980, 465 pp. \$20.00.

These works offer yet more reappraisals of the Vietnam experience at two vastly different stages in the conflict. The first, by the former head of the Office of Strategic Service's Indochina mission in the 1940s, provides considerable information on the U.S. involvement in Vietnam during 1940–1954, when the French were dominant. The 1945 American contacts with Ho Chi

Minh are of special interest. The second book picks up where the first leaves off and examines both U.S. and North Vietnamese policymaking from 1954 on. Focusing on the Johnson Administration's policy, the author uses this as a case study of the shortcomings of "limited/coercive war." He concludes that the Administration's failures were not the result of arrogance, or lack of resolve, but rather of an inability to grasp the complexity of the opponent's political system and the actors within it.

HUMANITY IN WARFARE. By Geoffrey Best. New York: Columbia University Press, 1980, 400 pp. \$25.00.

A historical and highly literate discussion, by a British scholar, of past efforts to "civilize" the conduct of war through legal restraints and prohibitions. Looking at such instruments as the Red Cross and the Geneva Conventions, he deliberately eschews any discussion of the causes of war and the accompanying "just war" theories.

DEADLY QUARRELS: LEWIS F. RICHARDSON AND THE STATISTICAL STUDY OF WAR. By David Wilkinson. Berkeley: University of California Press, 1980, 206 pp. \$18.50.

This is a reexamination of the statistical analysis undertaken by Lewis F. Richardson, the major initiator of the "systematic approach" to the causes of war. The author elaborates on Richardson's quantitative data, bringing it up to date and making it more palatable to the nonscientific reader, although it still remains quite arcane. Wilkinson also draws his own conclusions, based on Richardson's early findings, about the necessary direction for a "strategy of peace."

THE REVOLUTIONARY ARMIES: THE HISTORICAL DEVELOPMENT OF THE SOVIET AND THE CHINESE PEOPLE'S LIBERATION ARMIES. By Jonathan R. Adelman. Westport (Conn.): Greenwood Press, 1980, 230 pp. \$22.50.

On the hypothesis that their civil war periods were of critical importance in determining the character of the Soviet and the Chinese armies, the author sets out to make a comparative study of the two defense establishments and how they have been integrated into society. Also making use of such criteria as the level of military technology, the international political environment, political culture, and the degree of economic development of the two societies, the book successfully demonstrates that, despite early similarities, the roles of the two armies diverged in the years after their respective civil wars.

General: Economic and Social

William Diebold, Jr.

EAST EUROPEAN INTEGRATION AND EAST-WEST TRADE. Edited by Paul Marer and John Michael Montias. Bloomington: Indiana University Press, 1980, 432 pp. \$32.50.

The international integration of centrally planned economies is very different from what has gone on in Western Europe—and far less successful. But the process is important to the U.S.S.R. and the smaller East European countries and none too well understood in the West. This major collection includes original and often penetrating analyses of a number of key aspects of the integration process and its interplay with the relations the socialist

950 FOREIGN AFFAIRS

countries have with the rest of the world. Though stemming from an older conference, it complements very well the volume edited by Neuberger and Tyson (*The Impact of International Economic Disturbances on the Soviet Union and Eastern Europe*, Pergamon Press, reviewed in the Winter 1980/81 issue of *Foreign Affairs*).

MONEY AND MONETARY POLICY IN INTERDEPENDENT NATIONS. By Ralph C. Bryant. Washington: Brookings, 1980, 584 pp. \$29.95 (Paper, \$12.95).

In a world of "intermediate interdependence" no country can fully control its national money supply. And no other single policy will provide adequate control of the economy, according to this impressive, persuasive treatise which deals rigorously and clearly with all the major aspects of a most complex subject. Policymaking processes themselves and the need for improved international coordination of national actions are suggestively examined. The practical conclusions emphasize discretion more than fixed rules, and stress the need to look at issues as a whole and not piecemeal. This may, says the author, seem little more than common sense, but he believes we can do with more of that. Mr. Bryant, a former Federal Reserve Board official who is now at Brookings, began work on this excellent book as an International Affairs Fellow at the Council on Foreign Relations a decade ago.

PAPER MONEY. By Adam Smith. New York: Summit Books, 1981, 335 pp. \$13.95.

Like the first Adam Smith, this one writes about important issues, in the present case oil, inflation, real values and the economic system. Unlike his predecessor, this one is a bit short on prescriptions, though he is vivid about what happens if nothing changes. Good research and interviews, provocative writing and an eye for detail make this a most attractive account of an unattractive state of affairs.

PRIVATE POWER: MULTINATIONAL CORPORATIONS FOR THE SURVIVAL OF OUR PLANET. By Axel Madsen. New York: Morrow, 1980, 258 pp. \$12.95.

Private power is more often attacked than celebrated; here, however, multinational corporations look good as organizations that know how to get things done and pragmatists who cope well with hard facts and foolish governments. Easy reading and good quotes make this a good survey, despite lack of a tight analysis. Sovereignty, Mr. Madsen seems to be saying, is not so much at bay as dépassé.

ROAD MAPS TO THE FUTURE: A REPORT TO THE CLUB OF ROME. By Bohdan Hawrylyshyn. Elmsford (N.Y.): Pergamon Press, 1980, 193 pp. \$30.00 (Paper, \$10.50).

The strong point of this study by the Director of the International Management Institute in Geneva for the Club of Rome is a stimulating inquiry as to whether some of the national characteristics which made different societies effective in the past are now having negative effects. The weak spot is a rather elementary summary of the problems of leading countries (Japan and Switzerland come off rather well). The most controversial part is the effort to relate social changes to world order.

GLOBAL PLANNING AND RESOURCE MANAGEMENT. Edited by Antony J. Dolman. Elmsford (N.Y.): Pergamon Press, 1980, 222 pp. \$20.00 (Paper, \$7.95).

That global institutions are inadequate to global needs seems obvious enough. Here are some conflicting and often quite challenging proposals for change, and analyses of what is wrong, that range from distant prospects to conceivably quite feasible reforms.

DIE AMERIKANISCHE HANDELSPOLITIK GEGENÜBER WESTEUROPA. By Reinhard Rode. Frankfurt: Campus Verlag, 1980, 323 pp. DM.29.50.

KEYS FOR THE FUTURE: FROM FREE TRADE TO FAIR TRADE. By Christian Mégrelis. Lexington (Mass.): Lexington Books, 1980, 154 pp. \$19.95.

Rode's thorough examination of the drafting and passage of the 1974 Trade Act devotes a good bit of space to politics, ideas and governmental organization. A very good piece of work, the book is less detailed on the Tokyo Round and on European-American relations, in spite of the title. When Mégrelis, a French businessman, speaks of "fair trade" he means more than General Agreement on Tariffs and Trade rules and codes about competition. He wants the U.S. to consume less and export more, Japan to import more, and everybody to improve the international monetary system. Against protectionism, he favors some none too clearly defined measures to accommodate changing trade conditions and apparently would like developed and developing countries to group themselves in complementary ways.

EAST AND WEST IN THE ENERGY SQUEEZE: PROSPECTS FOR COOPERATION. Edited by Christopher T. Saunders. New York: St. Martin's, 1980, 468 pp. \$15.00.

The workshops on East-West economic relations organized by the Institute for Comparative Economic Studies in Vienna are said to have provoked significant exchanges among scholars from a number of different countries. These preparatory papers are more factual than challenging but are particularly valuable because of the way East-West energy relations are moving.

OIL CRISIS MANAGEMENT: STRATEGIC STOCKPILING FOR INTERNATIONAL SECURITY. By Edward N. Krapels. Baltimore: Johns Hopkins, 1980, 173 pp. \$15.00.

ENERGY AND SECURITY. Edited by David A. Deese and Joseph S. Nye. Cambridge: Ballinger, 1980, 320 pp. \$14.50.

The shortcomings of public and private national stockpiles and the International Energy Agency's emergency plans are made clear by Krapels' original, sharp analysis. His prescriptions for improvement fit well with those of the contributors to the Harvard Energy and Security research project. While the latter stress the inadequacy of economic and financial measures to provide secure supplies of oil, their recommendations for diplomacy and military posture are rather general. Their dozen studies are well tied together.

EUROPE AND WORLD ENERGY. By Hanns Maull. London and Boston: Butterworths (with the University of Sussex European Research Centre), 1980, 342 pp.

This detailed, thoughtful analysis says less about past failures to shape an energy policy for the European Community than about future needs. Europe's

952 FOREIGN AFFAIRS

relations with its oil suppliers are carefully examined, and then the prospects of still broader cooperation involving the other industrial consumers. The German author, formerly the Trilateral Commission's European Secretary, pushes hard for the recognition of the common interests of producers and consumers, and proposes some institutions to set prices, assure security of supply, and take care of the needs of poor countries.

WORLD ENERGY: ISSUES AND POLICIES. Edited by Robert Mabro. New York: Oxford University Press, 1980, 367 pp. \$44.00.

NEW POLICY IMPERATIVES FOR ENERGY PRODUCERS. Edited by Ragaei and Dorothea H. El Mallakh. Boulder (Col.): International Research Center for Energy and Economic Development, 1980, 257 pp. \$16.50 (Paper).

To the numerous papers presented to the OPEC-sponsored First Oxford Energy Seminar, Mr. Mabro adds an interesting summary of discussions which tried to find common ground between producers and consumers about their interests and about the agenda for future negotiations. Though the papers for the sixth annual Colorado conference are miscellaneous in subject and uneven in quality, most are short enough for easy skimming.

MINING FOR DEVELOPMENT IN THE THIRD WORLD. Edited by S. Sideri and S. Johns. Elmsford (N.Y.): Pergamon Press, 1980, 372 pp. \$35.00.

RESOURCES AND DEVELOPMENT: NATURAL RESOURCE POLICIES AND ECONOMIC DEVELOPMENT IN AN INTERDEPENDENT WORLD. Edited by Peter Dorner and Mahmoud Ahmed El-Shafie. Madison: University of Wisconsin Press, 1980, 500 pp. \$20.00.

Through state-owned companies and the regulation of private enterprise, the governments of developing countries are increasingly shaping the conditions of world mineral production and trade. Many of the papers in the first of these volumes grapple directly with the meaning of these changes for investment, efficiency and bargaining power. Others focus on specific minerals. The other book is mostly concerned with broader issues. Though prepared for a conference sponsored by three official Arab organizations and the University of Wisconsin, its papers say less about oil than about resources in general.

THE POVERTY OF NATIONS: THE POLITICAL ECONOMY OF HUNGER AND POPULATION. By William W. Murdoch. Baltimore: Johns Hopkins, 1981, 382 pp. \$22.50 (Paper, \$7.50).

Poverty is at the root of the world's difficulties with both food and population, according to Professor Murdoch, a biologist from California. The main trouble lies within the developing countries: radical change and increased self-reliance would do more to solve the problems than reform measures, but are none too likely to take place. The rich countries can help with aid, technology and trade liberalization, but their most useful contribution would be to stop blocking the road to power for radical regimes.

The United States

Gaddis Smith

OFF THE RECORD: THE PRIVATE PAPERS OF HARRY S. TRUMAN. Edited by Robert H. Ferrell. New York: Harper, 1980, 448 pp. \$15.00.

The rich cache of very private, mostly handwritten, material from which this readable and refreshing volume was compiled was closed to historians

until 1978. Some of the most interesting items are scorching letters written, but on cooler reflection not sent, to those whom Mr. Truman considered exceptional knaves or fools. The book does not alter our understanding of a candid, honest, quick-tempered man, but it does add many delightful details.

KENNEDY AND THE BERLIN WALL CRISIS. By Honoré M. Catudal, Jr. Berlin: Berlin Verlag (for the Atlantic Council), 1980, 358 pp. DM. 36.

A dramatic, very detailed account of President Kennedy's handling of a crisis which ranked second in danger only to the Cuban missile crisis. A second volume carrying the story beyond 1961 is planned. The author sees Kennedy as very much in control and acting rationally rather than in response to bureaucratic politics or psychological pressures.

THE VIETNAM TRAUMA IN AMERICAN FOREIGN POLICY, 1945-75. By Paul M. Kattenburg. New Brunswick (N.J.): Transaction Books, 1980, 354 pp. \$19.95.

The author was a specialist on Vietnam as a Foreign Service officer for more than 20 years; he is now a professor of political science. The book is an ambitious and moderately successful effort to integrate theories of decision-making and empirical data in order to explain why the U.S. went wrong.

UNCERTAIN YEARS: CHINESE-AMERICAN RELATIONS, 1947-1950. Edited by Dorothy Borg and Waldo Heinrichs. New York: Columbia University Press, 1980, 332 pp. \$17.50.

Excellent papers by nine American scholars on U.S. foreign policy a modern China. The most provocative is Warren Cohen's essay arguing that before the Korean War Secretary of State Dean Acheson was unequivocally aiming at establishing friendly relations with Beijing.

THE ROAD TO CONFRONTATION: AMERICAN POLICY TOWARD CHINA AND KOREA, 1947-1950. By William Whitney Stueck, Jr. Chapel Hill: University of North Carolina Press, 1981, 326 pp. \$20.00 (Paper, \$10.00).

An important contribution, based on deep and meticulous research, to our understanding of the background of the Korean War and the Chinese intervention. The author points out the contradictions in American policy and believes that the confrontation with China could have been avoided.

AMERICA, SCANDINAVIA, AND THE COLD WAR, 1945-1949. By Geir Lundestad. New York: Columbia University Press, 1980, 434 pp. \$27.50.

A needed full-length study, the first in English, of U.S. policy toward Norway, Denmark and Sweden from the end of World War II through the formation of NATO. The author traces the slow growth of American interest, the possibility of a Scandinavian neutrality league, and the outcome of Norwegian and Danish accession to the North Atlantic Treaty. He might have devoted more attention to the behavior of the Scandinavian governments and a little less to the threadbare debate between traditional and revisionist American historians.

SEEDS OF MIDEAST CRISIS: THE UNITED STATES DIPLOMATIC ROLE IN THE MIDDLE EAST DURING WORLD WAR II. By Thomas A. Bryson. Jefferson (N.C.): McFarland, 1981, 226 pp. \$15.95.

A straightforward survey, based primarily on State Department sources, country by country. A competent factual description, thin on interpretation.

954 FOREIGN AFFAIRS

The Western Hemisphere

Robert D. Crassweller

KNIGHT OF THE HOLY SPIRIT: A STUDY OF WILLIAM LYON MACKENZIE KING. By Joy E. Esbrey. Toronto: University of Toronto Press, 1980; 245 pp. \$20.00.

Mackenzie King was Prime Minister of Canada from 1921-30 and from 1935-48. Few public figures in any country have left a larger mass of diaries and private papers, but none are more difficult to understand. The reason is King's strange inner life. He saw himself as an instrument of God's will, believed in communication with the dead, reacted to signs and portents, and withal was extraordinarily domineering and self-centered. The author has done a skillful job of explaining how King integrated the inner and outer sides of his life; the mystery remains: how did his associates endure him?

G.S.

INSURRECTION OR LOYALTY: THE BREAKDOWN OF THE SPANISH AMERICAN EMPIRE. By Jorge I. Domínguez. Cambridge: Harvard University Press, 1980, 306 pp. \$29.50.

A work of competent historical analysis, such as this study centered on Chile, Cuba, Mexico and Venezuela, can illuminate current phenomena in unexpectedly helpful ways. The central question here is: why did some colonies rebel early in the last century while others did not? The answer is found in sociological rather than economic factors—the relations among ethnic groups or between elites and local governments.

THE FRACTURED CONTINENT: LATIN AMERICA IN CLOSE-UP. By Willard L. Beaulac. Stanford: Hoover Press, 1980, 232 pp. \$11.95.

A former U.S. diplomat surveys Latin America broadly in space and time. Although aspects of development are included, the emphasis is on political topics, such as militarism, Marxism, nationalism, anti-imperialism and relations with the United States. He is critical of North American policy and diplomacy.

AGRICULTURE, BUREAUCRACY, AND MILITARY GOVERNMENT IN PERU. By Peter S. Cleaves and Martin J. Scurrah. Ithaca (N.Y.): Cornell University Press, 1980, 329 pp. \$22.50.

This solid study, replete with interesting insights, assesses the interrelationship of the armed forces and the bureaucracy as they carried out the agricultural reform program introduced by Velasco in 1969. Noting that Latin America has produced more land reforms in this century than any other region, with generally unsatisfactory results, the authors conclude that "the Velasco government did not conceive of a development model that was sufficiently congruent with social and economic patterns in Peru to guarantee institutional succession and continuity." The social result was to raise the relative status of the middle class and the military.

CHRISTIAN DEMOCRACY IN VENEZUELA. By Donald L. Herman. Chapel Hill: University of North Carolina Press, 1980, 289 pp. \$24.00.

The history of the Christian Social Party (COPEI) is given here, together with its ideology and an appraisal of the Caldera government. Considering themselves to be non-communist revolutionaries, the leaders of COPEI have

emphasized nonviolent alterations in the conditions of the workers and peasants through an active role by the state in collaboration with the private sector.

PARAGUAY UNDER STROESSNER. By Paul H. Lewis. Chapel Hill: University of North Carolina Press, 1980, 256 pp. \$22.00.

In a political biography containing much interesting material, the author considers Stroessner's background, his qualities as a *caudillo*, the political machine known as the Colorado Party, and the political opposition. Despite Paraguay's rudimentary technical development, there has been a degree of modernization under Stroessner, with the result that "the old cynical *caudillo* politics of the past, which produced Stroessner, may have been rendered obsolete by his administration."

Western Europe

Fritz Stern

PERSONAL IMPRESSIONS. By Isaiah Berlin. New York: Viking, 1981, 219 pp. \$13.95.

Unsurpassed sketches of such giants as Churchill, Roosevelt, Weizmann and Einstein, as well as of Russian writers and Oxford colleagues. Berlin defines the character of the subject and his historic role not by accumulating details but by grasping the essence of the individual and his embodiment of deeper human and dramatic truths. A succession of portraits that in the end evokes the portrait of the author himself: a man of moral intuition and superb intelligence, of empathy and magnanimity, of unerring sharpness and style.

VERSTÄNDNIS UND VERSTÄNDIGUNG. By Herbert Blankenhorn. Berlin: Propyläen, 1980, 624 pp. DM. 48.

The author, Konrad Adenauer's confidant from the immediate postwar period and for six years his special aide for foreign affairs, became successively Bonn's ambassador to NATO, Paris, Rome and London, and saw the principal actors and scenes of Germany's reemergence into world politics. An excellent and entertaining source, with reminders of past crises and apprehensions, such as Adenauer's fears in 1946 that all the Anglo-American troops would withdraw from Europe, and *aperçus* such as Adenauer's sense of Western identity as "the child of the Roman occupation." A bit bland, a bit lacking in that *esprit de curiosité* which time and again the author himself lauds as a diplomat's high virtue; but still an appealing and important book.

THE FOREIGN POLICY OF HITLER'S GERMANY. VOL. II: STARTING WORLD WAR II, 1937-1939. By Gerhard L. Weinberg. Chicago: University of Chicago Press, 1980, 728 pp. \$44.00.

A thorough reconstruction of the immediate prewar years. The focus is on Germany and Hitler, with a carefully documented emphasis on Hitler's role as deliberate seeker of war. The assumptions and policies of the other powers are also analyzed, with particular concern for the fact that they were traumatized by the Great War and hence reticent to risk another. The book—a sequel to Weinberg's earlier work on the beginnings of Hitler's foreign policy—bespeaks most impressive archival research and a remarkable mastery of the vast secondary literature. More valuable for its grasp of detail and its precision of judgment than for originality or acumen, it is a tribute to traditional

956 FOREIGN AFFAIRS

diplomatic history and, in its very solidity, a major counterweight to revisionism.

THE RISE OF THE ANGLO-GERMAN ANTAGONISM, 1860–1914. By Paul Kennedy. London and Winchester (Mass.): Allen & Unwin, 1980, 604 pp. \$60.00.

An exemplary study of that central problem of our century. Minutely researched, broadly conceived, lucidly presented, the book, combining narrative and analysis in admirable balance, presents the many strains and stages of conflict. The conclusions may be less startling than the details but at least they are now firmly established: “The most profound cause, surely, was economic . . . [but] it took the sublime genius of the Prussian General Staff [the Schlieffen Plan] to provide the occasion for turning that antagonism into war.” Beyond the economic and the strategic was the challenge of German power and British resolve to preserve its own. A book of importance, by a young British historian with a record of prodigious productivity in historical and strategic studies.

BRITISH GOVERNMENT AND ITS DISCONTENTS. By Geoffrey Smith and Nelson W. Polsby. New York: Basic Books, 1981, 202 pp. \$12.95.

Yet another bright book on what ails Britain today—decline of confidence, productivity, power and solidarity—set against a rapid survey of British political institutions. A useful introduction by an Anglo-American team.

THE GOVERNMENT OF THE UNITED KINGDOM: POLITICAL AUTHORITY IN A CHANGING SOCIETY. By Max Beloff and Gillian Peele. New York: Norton, 1980, 438 pp. \$17.95 (Paper, \$6.95).

Drier but more substantial than the Smith-Polsby volume: a comprehensive study of the workings of British political institutions.

FRENCH POLITICS AND PUBLIC POLICY. Edited by Philip G. Cerny and Martin A. Schain. New York: St. Martin's, 1980, 300 pp. \$25.00.

A series of essays on some key aspects of the workings of the French state, with particular attention to economic and social factors. Stanley Hoffmann's preface offers a splendid *tour d'horizon*; the rest has a more limited appeal to specialists.

THE ITALIAN COMMUNIST PARTY: YESTERDAY, TODAY, AND TOMORROW. Edited by Simon Serfaty and Lawrence Gray. Westport (Conn.): Greenwood Press, 1980, 256 pp. \$29.95.

A series of essays, mostly by scholars associated with the Bologna Center of International Studies, analyzing the history and specific policies of the Italian communists, of whom Pierre Hassner, in a characteristically astute essay, writes: “Their self-examination and their effort to adapt to reality have gone much further than those of any other communist party (with the exception of Dubcek's Czechoslovakian party) and possibly of any party at all.” And still they may fail in their objectives.

The Soviet Union and Eastern Europe

John C. Campbell

THE SOVIET UNION IN WORLD POLITICS. Edited by Kurt London. Boulder (Colo.): Westview Press, 1980, 380 pp. \$27.50.

Kurt London, who feels strongly about the subject of the continuity of Soviet policy, devoted to revolution and conquest since 1917, and the failure of the statesmen and people of the West to understand it, has been writing and editing books for years in order to set the record straight and clarify the issues for the future. His contributors to this volume, a revised and expanded version of an earlier one, share his approach in greater or lesser degree (generally lesser rather than greater); they include Leonard Schapiro, Adam Ulam, and others of high reputation in the field.

SOVIET POLICY IN THE THIRD WORLD. Edited by W. Raymond Duncan. Elmsford (N.Y.): Pergamon Press, 1980, 328 pp. \$35.00.

By adding to standard, generally competent chapters on specific regions a series of essays on Soviet policy on global issues affecting the Third World (nuclear proliferation, environment, population, food, military intervention), the editor has made this a better volume than the usual symposium on the subject.

THE SOVIET UNION IN THE THIRD WORLD: SUCCESSES AND FAILURES. Edited by Robert H. Donaldson. Boulder (Colo.): Westview Press, 1981, 458 pp. \$25.00 (Paper, \$12.00).

As comprehensive a survey as we have yet had on this broad subject, though the multiplicity of authors makes it uneven and diffuse, and they have no special clairvoyance in reading Soviet minds. A general and well-supported conclusion is that most Soviet gains in the Third World are less substantial in fact than in the prevalent, now probably official, American view.

U.S.-SOVIET RELATIONS: A STRATEGY FOR THE '80s. New York: UNA-USA, 1981, 81 pp.

Analysis and recommendations by a UNA panel of distinguished Americans chaired by William Scranton and including former officials of both parties, academic experts, and business and labor leaders. A balanced and cool report, it begins with an estimate of the "Soviet worldview" and goes on to discuss détente, defense policy, arms control, economics and other relevant matters. Though not likely to be taken as an infallible guide to policy, it may serve as a standard by which both the Reagan Administration and its critics may usefully be judged.

AUTHORITY, POWER AND POLICY IN THE USSR: ESSAYS DEDICATED TO LEONARD SCHAPIRO. Edited by T.H. Rigby, Archie Brown and Peter Reddaway. New York: St. Martin's, 1980, 207 pp. \$22.50.

Stimulating studies representing original research and thought, tied together by the theme of the title on the working of the Soviet political system from Lenin to Brezhnev, and by the authors' respect for Schapiro and his work in this field.

BREZHNEV: SOVIET POLITICIAN. By Paul J. Murphy. Jefferson (N.C.): McFarland, 1981, 373 pp. \$24.95.

Despite the obstacles to writing an unauthorized biography of a living Soviet statesman (no access to the subject, his papers, or the archives of government or party), Paul Murphy has done a credible and creditable job. He has to go beyond the evidence at times—the word "probably" appears frequently—but he avoids Kremlinological gymnastics. Brezhnev comes through as a master at manipulating the levers of power on the way up and at the top, but the human personality, if there be one, scarcely emerges.

BACKGROUND TO CRISIS: POLICY AND POLITICS IN GIEREK'S POLAND. Edited by Maurice D. Simon and Roger E. Kanet. Boulder (Colo.): Westview Press, 1981, 418 pp. \$27.50.

With a keen sense of timing the editors and authors of this book, a group of talented American and Canadian scholars, decided a few years ago to use their firsthand knowledge of contemporary Poland to put out a comprehensive survey of a communist state in full crisis. They completed their work just as the crisis burst the bonds of the system and toppled Mr. Gierek. An excellent background book although rather thin on the vital question of Polish-Soviet relations.

POLAND AND UKRAINE PAST AND PRESENT. Edited by Peter J. Potichnyj. Edmonton (Alberta): Canadian Institute of Ukrainian Studies, 1980, 364 pp.

While most contributions to this symposium deal with the past, contemporary political problems of the Poland-Ukraine-Russia triangle receive their due in brief but thoughtful essays by Hugh Seton-Watson, Jaroslaw Pelenski and Adam Bromke.

THE LOGIC OF "NORMALIZATION": THE SOVIET INTERVENTION IN CZECHOSLOVAKIA OF 21 AUGUST 1968 AND THE CZECHOSLOVAK RESPONSE. By Fred Eidlin. Boulder (Colo.): East European Monographs, 1980, 278 pp. (New York: Columbia University Press, distributor, \$20.00).

Although quantities have been written on the Prague Spring and its demise, Eidlin still finds pertinent questions to ask about Soviet plans and expectations upon intervening, about the Czechoslovak reaction and resistance, and about the strange compromise which kept the reformist leaders in charge of the government for months after the occupation. He mobilizes copious evidence to support his conclusions, which are relevant to the situation in Eastern Europe today, as well as to our understanding of the events of that time.

HISTORY OF THE ROMANIAN COMMUNIST PARTY. By Robert R. King. Stanford: Hoover Press, 1980, 190 pp. \$8.95 (Paper).

Recognizing that in many respects the history of Romania since World War II is the history of the Party, Robert King deliberately limits his study to the Party itself, its organization and leadership, the main lines of its policy, and the relation of Party to society. He succeeds as well as his material permits, but of course many key sources remain closed to foreign scholars, and the Institute of Party History has not seen fit to publish its promised comprehensive history.

TITO: THE STORY FROM INSIDE. By Milovan Djilas. New York: Harcourt Brace Jovanovich, 1980, 185 pp. \$9.95.

An antidote to the unmixed adulation of the official eulogies, this is a candid and critical portrait of Tito, full of praise for his political genius but also of regret for his failure to depart from the Leninist model of personal and one-party power. It tells as much about Djilas as about Tito, and avoids a final judgment because, in the author's words, "too much of my life was intertwined with his."

SOCIALISM, DEMOCRACY AND SELF-MANAGEMENT. By Michel Raptis. New York: St. Martin's, 1980, 208 pp. \$22.50.

Readers of these essays, written between 1953 and 1977 by one who was for

many years Secretary of the Fourth International, will probably react on the basis of their own views on Trotsky and Trotskyism. In addition to the routine demolition of Stalinism and the Soviet bureaucracy, he makes some interesting points on direct democracy and self-management and where the Yugoslav, Algerian and other models fall short.

THE BUREAUCRATIC LEVIATHAN: A STUDY IN THE SOCIOLOGY OF COMMUNISM. By Maria Hirszowicz. New York: New York University Press, 1980, 208 pp. (New York: Columbia University Press, distributor, \$27.50).

The “sovereign bureaucracy” is the central feature of the socialist systems of the East. Maria Hirszowicz traces its origins in Russia, its development under Stalin, and its changing forms in the U.S.S.R. and Eastern Europe today. The book is further evidence of Western scholarship’s gain from the exodus of talented scholars from the East, particularly from Poland and Czechoslovakia in 1968.

The Middle East and North Africa

John C. Campbell

IRAN: RELIGION, POLITICS AND SOCIETY. By Nikki R. Keddie. London: Cass, 1980, 243 pp. (Totowa, N.J.: Biblio, distributor, \$29.50; paper, \$9.95).

The revolution in Iran—and the spate of superficial writing on it—make this collection of essays by a respected American historian of Iran (some previously published but not easily available, others new) a particularly welcome addition to the explanations of why what happened in that country did happen. The radical-clerical alliance and the political role of the *ulama*, evident in the revolution of 1905–1911, have a long tradition.

IRAN, SAUDI ARABIA, AND THE LAW OF THE SEA: POLITICAL INTERACTION AND LEGAL DEVELOPMENT IN THE PERSIAN GULF. By Charles G. MacDonald. Westport (Conn.): Greenwood Press, 1980, 230 pp. \$28.50.

This documented monograph is essentially an exposition of legal issues, relating them to political interests but not venturing far into the politics of the Gulf. It shows how Saudi Arabia and the Shah of Iran managed to settle most of their conflicting claims to use of the Gulf and its resources, and also moved other Gulf states toward common positions on the Law of the Sea and the concept of a Gulf community.

AN AMBASSADOR’S WIFE IN IRAN. By Cynthia Helms. New York: Dodd, Mead, 1981, 206 pp. \$12.95.

Mrs. Helms’ recollections of the mid-1970s in Iran include society-page material—who was there, what they wore, what they ate—vignettes of Embassy housekeeping, and an intelligent tourist’s curiosity about a new country. She was aware of the problems beneath the surface glitter of the Shah’s Iran and gives some impressions of leading personalities, but on matters of policy and diplomacy, and what her Ambassador-husband was up to, she maintains total discretion.

ISLAM AND DEVELOPMENT. Edited by John L. Esposito. Syracuse: Syracuse University Press, 1980, 268 pp. \$22.00 (Paper, \$9.95).

The Islamic resurgence which seems to be transforming the political scene in the Middle East, most spectacularly in Iran, is imperfectly understood in the West. This background book, which includes general chapters on the relation of Islam to political and economic development as well as studies on several key countries (within the Middle East and beyond), helps to knock down superficial generalizations and provide enlightenment. The world of Islam is not uniform, and so the book goes in the various directions taken, respectively, by its 13 authors.

THE ARAB WORLD. By William R. Polk. Cambridge: Harvard University Press, 1980, 456 pp. \$22.50 (Paper, \$8.95).

The fifth edition of the familiar and distinguished *The United States and the Arab World* appears with a shortened title and lengthened coverage. The author has changed some views and approaches with the passing years, and devoted two new chapters to the foreign policy record of the Nixon-Ford and Carter Administrations.

THE GREAT POWERS IN THE MIDDLE EAST, 1941-1947: THE ROAD TO THE COLD WAR. By Barry Rubin. London: Cass, 1980, 254 pp. (Totowa, N.J.: Biblio, distributor, \$26.00).

Material appearing here from the U.S. and British archives enlarges our knowledge of the diplomacy of World War II and its aftermath. It covers well the crises which arose with Russia over Turkey and Iran but omits Greece, thus giving only a partial background to the Truman Doctrine. The book reads like a compilation of items straight from the index cards, but the message is clear and brings no comfort to the revisionist school of cold-war historians. U.S. policy was Wilsonian, anti-British, and only anti-Soviet after the Russians began to subvert the independence of Middle East states.

THE ISRAELI-EGYPTIAN WAR OF ATTRITION, 1969-1970. By Yaacov Bar-Siman-Tov. New York: Columbia University Press, 1980, 248 pp. \$19.50.

A detailed account and sophisticated analysis of a classic case of limited war, but one that kept bursting out of its supposed limitations as both Egypt and Israel tried to use it to make major strategic and political gains. The war itself was a draw (to which Soviet intervention contributed), and U.S. diplomacy gets credit for bringing both parties to a truce and a dialogue.

THE CROSSING OF THE SUEZ. By Lt. Gen. Saad El Shazly. San Francisco: American Mideast Research, 1980, 333 pp. \$14.00.

The Egyptian chief of staff in the 1973 war, now a political exile, tells the story of the war, the first detailed account from the Egyptian side. Both in his report on the war and in the "political diary" in which he describes his experience in the prewar period, Shazly sees blunders, lies and interference on the part of President Anwar Sadat as largely responsible for Egypt's misfortunes.

THE SPYMASTERS OF ISRAEL. By Stewart Steven. New York: Macmillan, 1981, 288 pp. \$13.95.

Exploits and failures of Israel's intelligence services since 1948, told by a British journalist who appears to be a ferret of no mean abilities himself. Written to be enjoyed not only by fans of Le Carré and Forsyth but also by students of Israel's domestic and foreign policies, though none of it can be checked, at least not by the uninitiated.

PALESTINIAN RESISTANCE: ORGANIZATION OF A NATIONALIST MOVEMENT. By John W. Amos II. Elmsford (N.Y.): Pergamon Press, 1981, 471 pp. \$45.00.

An effort to bring together information on the origins, ideology, organization, operations and, above all, the factionalism of the Palestinian movement. Not an inside story, but an extraordinarily wide-ranging and objective job of research and analysis.

Asia and the Pacific

Donald S. Zagoria

JAPAN AND ITS WORLD: TWO CENTURIES OF CHANGE. By Marius B. Jansen. Princeton: Princeton University Press, 1981, 128 pp. \$9.50.

In a short, readable essay directed to a general audience, one of the West's leading historians on Japan probes the evolution of the Japanese world view during the past two centuries. Jansen is particularly interesting on how the Japanese have, until recently, seen the world as a hierarchy with countries ranked in order of esteem and importance. But there are no longer model states for Japan; the United States is doubtless still at the top of the list but "the limitations of its power and wisdom have been shown." While agreeing with those who see a growing national self-consciousness in Japan, especially among the young, he believes that "Japan's hundred-year effort for recognition has been successful" and that the forces for moderation in Japan will be stronger than those for militarism. Although he foresees a "degree of disengagement from the U.S. tie" as a precondition for its continuation, he believes the U.S.-Japanese relationship to be quite successful and he sees "very limited" options for any Japanese realignment.

COMING ALIVE: CHINA AFTER MAO. By Roger Garside. New York: McGraw-Hill, 1980, 496 pp. \$12.95.

"WATCH OUT FOR THE FOREIGN GUESTS": CHINA ENCOUNTERS THE WEST. By Orville Schell. New York: Pantheon, 1980, 176 pp. \$8.95.

Roger Garside, fluent in Chinese, was a British diplomat in Beijing during the upsurge of the democracy movement. He spent hundreds of hours at Democracy Wall when, for four months during the winter of 1978-79, young Chinese felt free to speak their minds, even to Westerners. What emerges is a widespread popular desire to free China from Soviet-style totalitarianism. Communist education and propaganda had clearly failed them: "Of the three panels of the Marxism-Leninism-Mao Zedong thought triptych, they rejected not only Mao's thoughts but also Lenin's, and the nature of their allegiance to Marx had been left very vague." Insofar as the socialist tradition applied, it was brought in to support the calls for democracy. The countries that appealed most to these Chinese youths were capitalist countries—and Yugoslavia. Garside also believes that "the reformers in the Chinese leadership today are not totalitarian either in their ambitions or in their methods." While this may be so, the question remains whether the obstacles to real reform in China may not prove insuperable, and whether all the leaders in post-Mao China are really "reformers." Yet despite all possible caveats, this is one of the most interesting books yet to emerge on the subject of what course post-Mao China will follow. In startling contrast, Orville Schell warns about the dangers for China in coming into too-close contact with the West; he seems to regret

the passing of Mao's China where "they had no Hilton Hotels, no branches of the Chase Manhattan Bank. . . ."

CHINA UNDER THREAT: THE POLITICS OF STRATEGY AND DIPLOMACY. By Melvin Gurtov and Byong-Moo Hwang. Baltimore: Johns Hopkins, 1981, 336 pp. \$22.95.

REVOLUTIONARY DIPLOMACY: CHINESE FOREIGN POLICY AND THE UNITED FRONT DOCTRINE. By J. D. Armstrong. Berkeley: University of California Press, 1981, 251 pp. \$19.00 (Paper, \$6.95).

AN AMERICAN TRANSPLANT: THE ROCKEFELLER FOUNDATION AND PEKING UNION MEDICAL COLLEGE. By Mary Brown Bullock. Berkeley: University of California Press, 1981, 305 pp. \$17.50.

The first two books are academic studies of Chinese foreign policy: the Gurtov-Hwang analysis stresses the importance of domestic priorities in the making of foreign policy in China, while Armstrong weighs the influence of ideology. Mary Bullock's book is the history of the Beijing Union Medical College since its establishment by the Rockefeller Foundation in the 1920s. By tracing the careers of some of the BUMC graduates up to the present, the author demonstrates the substantial impact they had on Chinese medicine, and the price they had to pay after the communists came to power, when they were often singled out for thought reform and accused of being agents of "American imperialism." Now, because there is a new post-Mao emphasis on rigorous training in all scientific fields, BUMC graduates are being called back again into service.

THE PEOPLE'S REPUBLIC OF CHINA, 1949-1979: A DOCUMENTARY SURVEY. Edited by Harold C. Hinton. Wilmington (Del.): Scholarly Resources, 1980, 5 vols. \$295.00.

This five-volume, 3,000-page publication includes all the major policy-related documents produced in the first 30 years of the Chinese communist regime. Organized chronologically, the volumes contain the full English texts of hundreds of official writings on ideology, politics, economics and foreign policy, with introductory commentaries by the editor. A boon for writers and scholars.

NEW FOUNDATIONS FOR ASIAN AND PACIFIC SECURITY. Edited by Joyce E. Larson. New York: National Strategy Information Center, 1980, 260 pp. (New Brunswick, N.J.: Transaction Books, distributor, \$8.95).

This volume is the product of a conference in Thailand which brought together participants from 11 Pacific nations. Its chief interest lies in the fact that many prominent Asian officials or representatives of officially sponsored "think tanks" took part. The attentive reader can therefore gain some insight into how the Asians define their own security problems.

Africa

Jennifer Seymour Whitaker

WHITE SUPREMACY: A COMPARATIVE STUDY IN AMERICAN AND SOUTH AFRICAN HISTORY. By George M. Fredrickson. New York: Oxford University Press, 1981, 356 pp. \$19.95.

In this prodigious work, an American historian deepens our understanding of how race relations evolved in the two countries, showing, through detailed

comparison, that the important differences stem not from the complicated and shifting quotients of virtue or vice, but from widely varying historical circumstances. Beyond the reversal in numerical ratios between majority and minority races in the two nations, a basic distinction lies in the respective national ideologies and the corresponding role of the central governments. The American revolutionary commitment to freedom and equality, though often honored in the breach, kept the U.S. federal government neutral and sometimes protective of black rights; in South Africa, a nation formed in a series of ethnic struggles, the law of the land has been shaped progressively to ensure the dominance of whites.

RACE RELATIONS IN SOUTH AFRICA, 1929-1979. Edited by Ellen Hellmann and Henry Lever. New York: St. Martin's, 1980, 278 pp. \$25.00.

The dominant theme in this collection, mostly by white South African academics and political observers, is *plus ça change*. The relative constancy of racial attitudes shown here, however, contrasts sharply with the changing environment of massive economic and bureaucratic growth.

THE RIDDLE OF VIOLENCE. By Kenneth Kaunda. San Francisco: Harper, 1981, 184 pp. \$9.95.

Zambia's President searches his conscience, and his experience, to support what is at once a defense of forcible struggle for the liberation of southern Africa and a longing appreciation of nonviolence in the resolution of human conflicts.

THE ANGOLAN WAR: A STUDY IN SOVIET POLICY IN THE THIRD WORLD. By Arthur Jay Klinghoffer. Boulder (Colo.): Westview Press, 1980, 229 pp. \$22.50.

This definitive study offers an impressively balanced assessment of evolving Soviet aims in the Angolan civil war, concluding that the U.S.S.R. came only in time to recognize an irresistible opportunity to gain a position of influence in southern Africa. Even more important is the clear account—by far the most complete to date—of the complicated interaction among the many forces involved, including the Soviets, Americans, Chinese, Portuguese, Cubans, South Africans, Zairis, Zambians, the Organization for African Unity (OAU), and the three Angolan liberation factions.

Janet Rigney

SOURCE MATERIAL

I. DOCUMENTS

Documents may be procured from the following: *United States*: Gov't Printing Office, Superintendent of Documents, Washington, D.C. 20402. *United Nations, International Court of Justice*: United Nations, Sales Section, New York 10017. *United Nations Educational, Scientific and Cultural Org.* and *Food and Agric. Org.*: Unipub, Inc., P.O. Box 433, New York 10016. *Int. Labor Office*: 917 15th St., N.W., Washington, D.C. 20005. *European Communities*: 2100 M St., N.W., Washington, D.C. 20037. *Organization for Economic Cooperation and Development*: 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006. Washington imprints are Government Printing Office, and congressional documents, unless otherwise noted, are for the 96th Congress. New York imprints are United Nations, unless otherwise noted.

AFRICA

REPROGRAMING of military aid to Somalia. Hearing, Subcommittee on Africa, Committee on Foreign Affairs, House, Aug. 26, 1980. Washington, 1980. 35 pp.

THE SITUATION in Liberia, spring 1980—update. Hearing, Subcommittee on Africa, Committee on Foreign Affairs, House, Apr. 29, 1980. Washington, 1980. 25 pp.

UNITED States policy toward Angola—update. Hearings, Subcommittee on Africa, Committee on Foreign Affairs, House, Sept. 17–30, 1980. Washington, 1980. 76 pp.

U.S. policy toward South Africa. Hearings, Subcommittees on International Economic Policy and Trade, on Africa, and on International Organizations, Committee on Foreign Affairs, House, Apr. 30–June 10, 1980. Washington, 1980. 912 pp.

ZAIRE: current economic situation and constraints. Washington, The World Bank, 1980. 191 pp. (A World Bank Country Study.)

ASIA AND THE PACIFIC OCEAN

CHINA claims reallocation. Hearing and markup, Committee on Foreign Affairs, and its Subcommittees on Asian and Pacific Affairs, and on International Economic Policy and Trade, House, on H.R. 6440, Sept. 29–30, 1980. Washington, 1980. 37 pp.

INDONESIA: employment and income distribution in Indonesia. Washington, The World Bank, 1980. 187 pp. (A World Bank Country Study.)

THE PHILIPPINES: aspects of the financial sector; a joint World Bank/IMF study. Washington, 1980. 99 pp. (A World Bank Country Study.)

PROSPECTS for United States—China economic cooperation. Report of a special study mission to South Korea, Japan, and the People's Republic of China, Mar. 31–Apr. 12, 1980, to the Committee on Foreign Affairs, House, Sept. 1980. Washington, 1980. 29 pp. (Com. Print.)

REPORT of the delegation to the Indian Ocean area of the Committee on Armed Services, House, Apr. 1980. Washington, 1980. 33 pp. (Com. Print. No. 28.)

U.S. security interests and policies in Southwest Asia. Hearings, Subcommittee on Near Eastern and South Asian Affairs, Committee on Foreign Relations, Senate, Feb. 6–Mar. 18, 1980. Washington, 1980. 368 pp.

UNITED States-South Korean relations, Hearings, Subcommittee on Asian and Pacific Affairs, Committee on Foreign Affairs, House, June 25–Aug. 28, 1980. Washington, 1980. 60 pp.

COMMERCIAL POLICY AND TRADE

DEVELOPED country imports of manufactured products from LDCs. A research paper by the National Foreign Assessment Center. Washington, U.S. Central Intelligence Agency, 1980. 34 pp.

EXPORT promotion, export disincentives, and U.S. competitiveness. Reports by the President pursuant to Section 1110 of the Trade Agreements Act of 1979, printed for the Committee on Banking, Housing, and Urban Affairs, Senate, Sept. 1980. Washington, 1980. 611 pp. (Com. Print.)

TRADE relations under flexible exchange rates, by Richard Blackhurst and Jan Tumlrir. Geneva, GATT, 1980. 80 pp. (GATT Studies in International Trade, 8.) \$8.00.

SOURCE MATERIAL 965

U.S. international trade strategy. Hearings, Subcommittee on International Trade, Committee on Finance, Senate, July 28–Sept. 10, 1980. Washington, 1980. 494 pp.

DISARMAMENT

DEFENSE planning and arms control: proceedings of a special NSAI conference, 12–14 June 1980, National Defense University. Washington, The National Security Affairs Institute, 1980. 170 pp.

MILITARY implications of the proposed SALT II Treaty relating to the national defense. Report of the hearings, Committee on Armed Services, Senate, Dec. 4, 1980. Washington, 1980. 113 pp. (S.Rept.96-1054.)

THE NON-Proliferation Treaty. Hearing, Subcommittee on Arms Control, Oceans, International Operations and Environment, Committee on Foreign Relations, Senate, July 24, 1980. Washington, 1980. 99 pp.

EASTERN EUROPE

AUGUST 1980: the strikes in Poland. Munich, Radio Free Europe Research, 1980. 447 pp.

CURRENT issues of GDR foreign policy, by Erich Honecker. Berlin, Panorama DDR, 1980. 31 pp. (Documents on the Policy of the German Democratic Republic, 5/1980.)

POLAND, 1980: an East European economic country study. A collection of papers, submitted to the Joint Economic Committee, Congress, Sept. 1, 1980. Washington, 1980. n.p.

SOVIET covert action (the forgery offensive). Hearings, Subcommittee on Oversight of the Permanent Select Committee on Intelligence, House, Feb. 6, 19, 1980. Washington, 1980. 245 pp.

SOVIET defense expenditures and related programs. Hearings, Subcommittee on General Procurement, Committee on Armed Services, Senate, Nov. 1, 1979–Feb. 4, 1980. Washington, 1980. 215 pp.

A SOVIET navy for the nuclear age, by Steve F. Kime. Washington, National Defense University, 1980. 25 pp. (National Security Affairs Issue Paper 80-1.)

L'U.R.S.S. et l'Europe de l'Est en 1979, ed. by Thomas Schreiber. Paris, La Documentation Française, 1980. 288 pp.

ECONOMIC CONDITIONS

AVERTING catastrophe: the global challenge. Report, Subcommittee on International Economics, Joint Economic Committee, Congress, Oct. 10, 1980. Washington, 1980. 10 pp. (Jt. Com. Print.)

COMPARING planned and actual growth of industrial output in centrally planned economies. A research paper by the National Foreign Assessment Center. Washington, U.S. Central Intelligence Agency, 1980. 12 pp.

THE GLOBAL 2000 report. Hearing, Subcommittee on International Economics, Joint Economic Committee, Congress, Sept. 4, 1980. Washington, 1980. 57 pp.

NORTH-South dialog: progress and prospects. Hearings, Subcommittees on International Economic Policy and Trade, and on International Organizations, Committee on Foreign Affairs, House, May 1–June 19, 1980. Washington, 1980. 267 pp.

RESTRUCTURING the international economic framework: report by the Secretary-General of the United Nations Conference on Trade and Development to the fifth session of the conference. N.Y., 1980. 43 pp. (E.79.II.D.12.) \$3.50.

FINANCIAL POLICY

ADDRESS to the Board of Governors, by Robert S. McNamara. Washington, World Bank, 1980. 47 pp.

FINANCIAL institutions and export trading companies. Hearing, Committee on Banking, Housing, and Urban Affairs, Senate, on S. 2718, July 25, 1980. Washington, 1980. 363 pp.

FOREIGN acquisitions of U.S. banks and the non-banking activities of foreign bank holding companies. Hearings, Subcommittee of the Committee on Government Operations, House, May 15–June 25, 1980. Washington, 1980. 999 pp.

FOOD AND NUTRITION

FOOD needs in East Africa. Hearing, Subcommittee on Africa, Committee on Foreign Affairs, House, June 19, 1980. Washington, 1980. 51 pp.

GLOBAL food assessment—1980. Report, prepared by the Economics, Statistics, and Coop-

966 FOREIGN AFFAIRS

eratives Service, U.S. Department of Agriculture, for the Subcommittee on Foreign Agricultural Policy, Committee on Agriculture, Nutrition, and Forestry, Senate, Aug. 1980. Washington, 1980. 133 pp. (Com. Print.)

RECENT developments pertaining to grain embargo. Hearing, Committee on Agriculture, House, June 25, 1980. Washington, 1980. 44 pp. (Ser. No. 96-KKK.)

SUSPENSION of United States exports of high technology and grain to the Soviet Union. Hearings, Committee on Banking, Housing, and Urban Affairs, Senate, Aug. 19–20, 1980. Washington, 1980. 156 pp.

FOREIGN AID AND UNDERDEVELOPED AREAS

U.S. economic assistance programs in Asia. Report of a study mission to Thailand, Burma, Sri Lanka, and India, Aug. 3–23, 1979, to the Committee on Foreign Affairs, House, Sept. 1980. Washington, 1980. 29 pp. (Com. Print.)

UNITED STATES International Development Cooperation Agency: congressional presentation fiscal year 1982. Washington, U.S. International Development Cooperation Agency, 1981. 51 pp.

HUMAN RIGHTS

BASKET III: implementation of the Helsinki Accords. Hearings, Commission on Security and Cooperation in Europe, Congress. Washington, 1980.

13. Soviet treatment of ethnic groups. Apr. 29, 1980. 178 pp. 14. Religious rights in the Soviet Union and Eastern Europe. May 21, 1980. 241 pp.

RESOLUTION of inquiry concerning human rights policies. Hearing, Committee on Foreign Affairs, House, on H.Res.551, Feb. 6, 1980. Washington, 1980. 29 pp.

UNITED Nations action in the field of human rights. N.Y., 1980. 389 pp. (E.79.XIV.6.) \$24.00.

MIDDLE EAST

THE IRAQI-Iranian dispute: facts v. allegations. Baghdad, Ministry of Foreign Affairs of the Republic of Iraq. 1980. 70 pp.

MIDDLE Eastern oversight trip. Report, to the Committee on Science and Technology, House, July 1980. Washington, 1980. 91 pp. (Com. Print. Ser. EEE.)

U.S. interests in, and policies toward, the Persian Gulf, 1980. Hearings, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, Mar. 24–Sept. 3, 1980. Washington, 1980. 471 pp.

UNITED STATES-Jordanian relations and arms supply issues. Hearings, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, July 29–Aug. 27, 1980. Washington, 1980. 71 pp.

MILITARY POLICY

SOVIET biological warfare activities. A report, Subcommittee on Oversight, Permanent Select Committee on Intelligence, House, June 1980. Washington, 1980. 5 pp. (Com. Print.)

STATUS of the MX missile system. Hearing, Committee on Armed Services, House, May 1, 1980. Washington, 1980. 46 pp. (H.A.S.C. No. 96–56.)

THE SVERDLOVSK incident: Soviet compliance with the Biological Weapons Convention? Hearing, Subcommittee on Oversight, Permanent Select Committee on Intelligence, House, May 29, 1980. Washington, 1980. 18 pp.

U.S. ground forces: design and cost alternatives for NATO and non-NATO contingencies. Washington, Congressional Budget Office, 1980. 87 pp.

NUCLEAR POWER

EVALUATION of selected features of U.S. nuclear non-proliferation law and policy. Report to the Congress by the Comptroller General of the United States. Washington, U.S. General Accounting Office, 1980. 144 pp.

NUCLEAR exports: international safety and environmental issues. Hearings, Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, House, Dec. 18, 1979–May 7, 1980. Washington, 1980. 226 pp.

RESOLUTIONS of disapproval pertaining to the shipment of nuclear fuel to India. Hearings and markup, Committee on Foreign Affairs, House, June 26–Sept. 10, 1980. Washington, 1980. 170 pp.

SOURCE MATERIAL 967

POPULATION

POPULATION policy and development planning: aspects of technical co-operation. N.Y., 1980. 54 pp. (E.81.II.A.1.) \$6.00.

POPULATION Studies. N.Y., 1980.

68. Patterns of urban and rural population growth. 175 pp. (E.79.XIII.9.) \$13.00. 70. World population trends and policies: 1979 monitoring report. 2 vols. (E.79.XIII.4-5.) \$27.00. 72. The world population situation in 1979: conditions, trends, prospects, policies. 115 pp. (E.80.XIII.4.) \$7.00.

WORLD population 1979: recent demographic estimates for the countries and regions of the world; summary. Washington, Bureau of the Census, 1980. 33 pp.

WORLD population trends. Hearings, Committee on Foreign Relations, Senate, Apr. 29-June 5, 1980. Washington, 1980. 346 pp.

RAW MATERIALS AND ENERGY RESOURCES

GEOPOLITICS of oil. Hearings, Committee on Energy and Natural Resources, Senate, Feb. 5-June 19, 1980. Washington, 1980. 330 pp. (Pub. No. 96-119, Pt.1.)

— Staff report, Committee on Energy and Natural Resources, Senate, Dec. 1980. Washington, 1980. 89 pp. (Com. Print; Pub. No. 96-119.)

IMPORTS of minerals from South Africa by the United States and the OECD countries. Report, prepared for the Subcommittee on African Affairs, Committee on Foreign Relations, Senate, by the Congressional Research Service, Library of Congress, Sept. 1980. Washington, 1980. 46 pp. (Com. Print.)

INTERNATIONAL Natural Rubber Agreement of 1979. Hearing, Committee on Foreign Relations, Senate, April 23, 1980. Washington, 1980. 52 pp.

MINERAL processing in developing countries. N.Y., 1980. 143 pp. (E.80.II.B.5.) \$7.00.

MULTATIONALS and industrial strategy: the role of world product mandates; a statement prepared by the Science Council Group on Industrial Policies. Ottawa, Science Council of Canada, 1980. 77 pp.

THE NICKEL industry and the developing countries. N.Y., 1980. 100 pp. (E.80.II.A.2.) \$8.00.

OIL and natural gas from Alaska, Canada, and Mexico—only limited help for U.S. Report to the Congress, by the Comptroller General of the United States. Washington, United States General Accounting Office, 1980. 85 pp.

OIL import fees: the administration of the program and its impact. Hearings, Subcommittee on Trade, Committee on Ways and Means, House, Apr. 24-May 14, 1980. Washington, 1980. 443 pp. (Ser. 96-106.)

REDUCING U.S. oil vulnerability: energy policy for the 1980's. A report to the Secretary of Energy, prepared by the Assistant Secretary for Policy and Evaluation, U.S. Department of Energy. Washington, 1980. n.p.

U.S. minerals vulnerability: national policy implications. A report by the Subcommittee on Mines and Mining, Committee on Interior and Insular Affairs, House, Nov. 1980. Washington, 1980. 83 pp. (Com. Print. No. 9.)

REFUGEES

THE CUBAN emigres: was there a U.S. intelligence failure? Staff report, Subcommittee on Oversight, Permanent Select Committee on Intelligence, House, June 1980. Washington, 1980. 5 pp. (Com. Print.)

INDOCHINESE refugees: the impact on first asylum countries and implications for American policy. A study, prepared for the Joint Economic Committee, Congress, Nov. 25, 1980. Washington, 1980. 53 pp.

SELECT Commission on Immigration and Refugee Policy. Second semiannual report to Congress, Committees on the Judiciary, House and Senate, Oct. 1980. Washington, 1980. 328 pp. (Jt. Com. Print.)

SCIENCE AND TECHNOLOGY

HIGH technology and Japanese industrial policy: a strategy for U.S. policymakers. Report, Subcommittee on Trade, Committee on Ways and Means, House, Oct. 1, 1980. Washington, 1980. 73 pp. (WMCP: 96-74.)

SCIENCE policy: USA/USSR. Report, prepared for the Division of International Programs, National Science Foundation. Washington, 1980.

Vol. I. Science policy in the United States, by Nat C. Robertson, 201 pp. Vol. II. Science

968 FOREIGN AFFAIRS

policy in the Soviet Union, by Paul M. Cocks. 331 pp.

SCIENCE, technology and American diplomacy 1980. First annual report to the Congress, submitted to the Committee on Foreign Affairs, and the Committee on Science and Technology, House, Aug. 1980. Washington, 1980. 206 pp. (Jt. Com. Print.)

TECHNOLOGY transfer between East and West, by Eugene Zaleski and Helgard Wienert. Paris, OECD, 1980. 435 pp. \$50.00.

UNITED NATIONS

UNITAR Research Reports. N.Y., United Nations Institute for Training and Research, 1980.

24. The Helsinki Final Act viewed in the United Nations perspective, by Evgeny Chossudovsky. 102 pp. 25. Evolving a conceptual framework of inter-systems relations, by Daniel Frei. 53 pp.

UNITED STATES

THE AILING defense industrial base: unready for crisis. Report of the Defense Industrial Base Panel, Committee on Armed Services, House, Dec. 31, 1980. Washington, 1980. 52 pp. (Com. Print. No. 29.)

DEPARTMENT of Defense appropriations for fiscal year 1981. Hearings, Subcommittee of the Committee on Appropriations, Senate, Mar.-Apr. 1980. Washington, 1980. 4 pts.

INTERNATIONAL Security and Development Cooperation Act of 1980. Report, Committee of Conference, House, to accompany H.R. 6942, Nov. 20, 1980. Washington, 1980. 69 pp. (H. Rept. 96-1471.)

NATIONAL Security Affairs Monograph Series. Washington, Research Directorate, National Defense University, 1980.

80-4. Commitment in American foreign policy: a theoretical examination for the post-Vietnam era, by Terry L. Deibel. 70 pp. 80-7. Peacetime industrial preparedness for wartime ammunition production, by Harry F. Ennis. 122 pp. 80-8. Defense management in the 1980s: the role of the Service Secretaries, by Richard J. Daleski. 57 pp.

THE UNITED States Advisory Commission on Public Diplomacy report 1980. Washington, The United States Advisory Commission on Public Diplomacy, 1980. 21 pp.

THE UNITED States and the world community in the eighties: report of the Panel on the United States and the World Community, President's Commission for a National Agenda for the Eighties. Washington, 1980. 109 pp.

WESTERN EUROPE

COMMUNITY—Third World: the challenge of interdependence, by Wolfgang Hager and Michael Noelke. Brussels, Commission of the European Communities, 2d ed., 1980. 166 pp. (Documentation Bulletin.) \$4.10.

DOCUMENTS Diplomatiques Suisses, 1848-1945, ed. by the Commission Nationale pour la Publication de Documents Diplomatiques Suisses. Bern, Benteli Verlag (sous le patronage de la Société Générale Suisse d'Histoire avec le concours des Archives Fédérales), 1979-80.

Vol. 7 (1918-1920). Tome 1: 11 novembre 1918-28 juin 1919. 964 pp. Bd. 9 (1925-1929). 1. Januar 1925-31. Dezember 1929. 966 pp.

NATO—a status report. Report, Committee on Foreign Relations, Senate, Oct. 1980. Washington, 1980. 24 pp. (Com. Print.)

NATO after Afghanistan. Report, prepared for the Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, by the Foreign Affairs and National Defense Division, Congressional Research Service, Library of Congress, Oct. 27, 1980. Washington, 1980. 64 pp. (Com. Print.)

LES PROBLÈMES résultant de la responsabilité extra-contractuelle concomitante de la Communauté et d'un État membre, by L. Constantinesco. Brussels, Commission des Communautés Européennes, 1980. 70 pp. (Série Concurrence, Rapprochement des Législations, 34.) \$5.30.

LES RÉGIMES d'aide régionale dans la Communauté européenne: étude comparative. Brussels, Commission des Communautés Européennes, 1979. 333 pp. (Collection Études: Série Politique Régionale, 15.) \$9.20.

UNITED States-Western European relations in 1980. Hearings, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House, June 25-Sept. 22, 1980. Washington, 1980. 320 pp.

SOURCE MATERIAL 969

WESTERN HEMISPHERE

CANADA. Paris, OECD, 1981. 64 pp. (OECD Economic Surveys.)

U.S.-Canada East Coast Fishery Agreement and Boundary Treaty. Oversight report, Committee on Merchant Marine and Fisheries, Sept. 30, 1980. Washington, 1980. 29 pp. (H. Rept. 96-1455, Ser. No. 96-C.)

II. OTHER PUBLICATIONS

ACIS WORKING PAPERS. Los Angeles, Center for International and Strategic Affairs, University of California, 1980.

27. The Soviet invasion of Afghanistan: three perspectives; essays, by Vernon Aspaturian, Alexander Dallin, and Jiri Valenta. 71 pp. 28. Towards a Soviet-American crisis prevention regime: history and prospects, by Alexander L. George. 27 pp. 29. Modernization and foreign policy, by R.D. Tschirgi. 31 pp.

ADELPHI PAPERS. London, The International Institute for Strategic Studies, 1980. \$3.50 each. 160. The future of strategic deterrence. Pt. I. 52 pp. 161. The future of strategic deterrence.

Pt. II. 51 pp. 162. Conflict and regional order in South-East Asia, by Michael Leifer. 39 pp.

THE AFRICAN BOOK WORLD & PRESS: A DIRECTORY, ed. by Hans M. Zell. Detroit, Gale Research Co., 2d ed., 1980. 244 pp. \$75.00.

AID AND INFLUENCE: THE CASE OF BANGLADESH, ed. by Just Faaland. N.Y., St. Martin's Press, 1981. 202 pp.

AMERICA'S FOREIGN POLICY: ITS CREATORS AND CRITICS, by Thomas Parker. N.Y., Facts on File, 1980. 246 pp.

AMERIKAS ARBEITSBEZIEHUNGEN SIND ANDERS: EINE SKIZZE DES TARIFVERTRAGSWESENS DER USA, by Hildegard Waschke. Cologne, Deutscher Instituts-Verlag, 1980. 60 pp. (Beiträge zur Gesellschafts- und Bildungspolitik, Institut der deutschen Wirtschaft, 59.)

THE ARAB BOYCOTT OF EGYPT, by Michael A. Lundy. London, Institute of Jewish Affairs, in association with the World Jewish Congress, 1980. 12 pp. (Research Reports, 15.)

THE ARAB OIL-PRODUCING STATES OF THE GULF: POLITICAL AND ECONOMIC DEVELOPMENTS, ed. by Richard D. Erb. Washington, American Enterprise Institute for Public Policy Research, 1980. 88 pp. (AEI Foreign Policy and Defense Review, Vol. 2, Nos. 3 & 4.) \$5.00.

ARAB REFUGEES IN THE MIDDLE EAST, ed. by A.G. Mezerik. N.Y., International Review Service, 1980. 94 pp. \$20.00.

ARBEITEN AUS DER ABTEILUNG ENTWICKLUNGSLÄNDERFORSCHUNG. Bonn, Forschungsinstitut der Friedrich-Ebert-Stiftung, 1980.

84. Der Tschad: Staat ohne Frieden, by Reinhold Meyer. 36 pp.

AUSSENPOLITIK KOMMUNISTISCHER LÄNDER UND DRITTE WELT, I/1980. Bonn, Forschungsinstitut der Friedrich-Ebert-Stiftung, 1980. 376 pp.

BEHIND THE HEADLINES. Toronto, Canadian Institute of International Affairs, 1980. 75¢ each. Vol. XXXVIII. No. 3. The plight of the homeless: the refugee phenomenon, by Gerald E. Dirks. 28 pp.

BERICHTE. Bonn, Bundesinstitut für Ostwissenschaftliche und Internationale Studien, 1980.

26. Schwerpunkte sowjetischer Japan-Politik 1978-1980, by Joachim Glaubitz. 60 pp. 27. East-West security relations on the Eurostrategic level, by Gerhard Wettig. 40 pp. 28. Die kubanisch-sowjetische Partnerschaft: Entwicklung, aktueller Stand, Probleme, by Robert K. Furtak. 74 pp. 29. Die Französische KP und das Europa-Parlament: Konzeptionen und Aktivitäten, by Renata Fritsch-Bournazel. 55 pp. 30. Sozialplanung in der UdSSR 1966-1979, by Mária Huber. 63 pp. 31. Reformkommunisten in West und Ost: Konzeptionen, Querverbindungen und Perspektiven, by Heinz Timmermann. 48 pp. 32. Die Berichte der osteuropäischen Staaten zur Verwirklichung des Internationalen Paktes über bürgerliche und politische Rechte: eine Analyse anhand des polnischen Beispiels, by Richard Szawlowski. 56 pp. 33. Zum Konflikt zwischen Vietnam und China: Geschichtsschreibung im Dienste politischer Propaganda, by Johannes Kehnen. 24 pp. 34. Das Nachfolgeproblem im sowjetischen Herrschaftssystem, by Heinz Brahm. 69 pp.

BORROWERS & LENDERS: RURAL FINANCIAL MARKETS AND INSTITUTIONS IN DEVELOPING COUNTRIES, ed. by John Howell. London, Overseas Development Institute, 1980. 290 pp. £2.95.

CHANGING STRUCTURES IN THE WORLD OIL MARKET, by Ian M. Torrens. Paris, The Atlantic Institute for International Affairs, 1980. 43 pp. (The Atlantic Papers, 41.) \$4.75.

CHATHAM HOUSE PAPERS. London, The Royal Institute of International Affairs, 1980. £5.00 each.

970 FOREIGN AFFAIRS

9. Change in Eastern Europe, by Philip Windsor. 49 pp. 10. North Sea oil and gas and British foreign policy, by Ray Dafter and Ian Davidson. 44 pp.
- CHINA TRADE REVIEW AND PROSPECTS, by Vembar K. Ranganathan. N.Y., Economics Department, Citibank, 1980. 96 pp.
- COLOMBIA: ARMED FORCES AND SOCIETY, by J. Mark Ruhl. Syracuse, Maxwell School of Citizenship and Public Affairs, Syracuse University, 1980. 53 pp. (Foreign and Comparative Studies/Latin American Series, I.)
- COMECON DATA 1979, ed. by the Vienna Institute for Comparative Economic Studies. N.Y., Holmes & Meier Publishers (for the First Austrian Bank), 1980. 436 pp. \$45.50.
- THE COMMON SECURITY INTERESTS OF JAPAN, THE UNITED STATES AND NATO, by the Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security, Tokyo. Washington, The Atlantic Council of the United States, 1980. 38 pp. (Policy Papers.) \$6.00.
- CONSTITUTION OF THE ISLAMIC REPUBLIC OF IRAN, tr. by Hamid Algar. Berkeley, Ca., Mizan Press, 1980. 94 pp. \$2.95.
- CRISIS IN THE SAHEL: A CASE STUDY IN DEVELOPMENT COOPERATION, by Noel V. Lateef. Boulder, Colo., Westview Press, 1980. 287 pp. (Westview Special Studies in Social, Political, and Economic Development.)
- CUBA: DICTATORSHIP OR DEMOCRACY? ed. by Marta Harnecker. Westport, Conn., Lawrence Hill & Co., 1980. 239 pp.
- DEFENSE POLICY FORMATION: TOWARDS COMPARATIVE ANALYSIS, ed. by James M. Roherty. Durham, N.C., Carolina Academic Press (for the Institute of International Studies, University of South Carolina), 1980. 315 pp. (International Relations Series, 6.) \$14.95.
- DISCUSSION PAPERS. Santa Monica, Ca., California Seminar on Arms Control and Foreign Policy, 1980.
 87. Revolution and evolution of energy policies in Iran, by Bijan Mossavar-Rahmani. 68 pp. \$3.75.
 88. The return of the great game: superpower rivalry and domestic turmoil in Afghanistan, Iran, Pakistan, and Turkey, by Salmay Khalilzad. 84 pp. \$5.25.
 89. British foreign policy and the Conservative Party, by Gillian Peele. 43 pp. \$3.75.
- DOCUMENTS OF DISSENT: CHINESE POLITICAL THOUGHT SINCE MAO, tr. with an introductory essay by J. Chester Cheng. Stanford, Ca., Hoover Institution Press, 1980. 108 pp. \$7.95.
- THE EEC'S GENERALISED SYSTEM OF PREFERENCES—EVALUATION AND RECOMMENDATIONS FOR CHANGE, by Ann Weston and others. London, Overseas Development Institute, 1980. 194 pp. £5.00.
- ELECTORAL POLITICS IN THE MIDDLE EAST: ISSUES, VOTERS AND ELITES, ed. by Jacob M. Landau, Ergun Özbudun and Frank Tachau. London, Croom Helm; Stanford, Ca., Hoover Institution Press, 1980. 335 pp.
- THE END OF THE POST-WAR ERA: DOCUMENTS ON GREAT-POWER RELATIONS 1968–1975, ed. by James Mayall and Cornelia Navari. N.Y., Cambridge University Press (for the Centre for International Studies, London School of Economics and Political Science), 1980. 642 pp. (International Studies.) \$59.50.
- ENTWICKLUNGSTENDENZEN DER DDR-WIRTSCHAFT FÜR DIE 80er JAHRE: EINE PROGNOSE DER PROBLEME, by Herwig E. Haase. Berlin, Osteuropa-Institut, Freie Universität Berlin, 1980. 115 pp. (Berichte, 124.)
- ESSAYS IN INTERNATIONAL FINANCE. Princeton, International Finance Section, Department of Economics, Princeton University, 1980. \$1.50 each.
 138. On the meaning and future of the European monetary system, by Tom De Vries. 64 pp.
 139. A liberal international economic order: the international monetary system and economic development, by Deepak Lal. 46 pp.
- EUROPAS SICHERHEIT, PROBLEME DER WESTLICHEN WELT IN DEN 80er JAHREN. Hamburg, Buchhandlung Johannes Boesen (for the Bergedorfer Gesprächskreis zu Fragen der freien industriellen Gesellschaft), 1980. 96 pp. (Protokoll Nr. 66.) DM. 3.90.
- EUROPEAN MONETARY UNITY: FOR WHOSE BENEFIT? by Pascal Salin. Ipswich, Mass., The Ipswich Press (for the Institutum Europaeum, Brussels), 1980. 81 pp.
- FIGHTING INFLATION AND REBUILDING A SOUND ECONOMY: A STATEMENT BY THE RESEARCH AND POLICY COMMITTEE OF THE COMMITTEE FOR ECONOMIC DEVELOPMENT. N.Y., Committee for Economic Development, 1980. 26 pp. \$3.00.
- FINANCIAL DEEPENING IN ASEAN COUNTRIES, by George J. Viksnins. Honolulu, The University Press of Hawaii (for the Pacific Forum), 1980. 76 pp.
- FORCES OF CHANGE IN WESTERN EUROPE, by Neil W. Chamberlain. N.Y., McGraw-Hill, 1980. 373 pp.
- A GATT FOR FOREIGN INVESTMENT: FURTHER REFLECTIONS, by Charles P. Kindleberger. N.Y.,

- The Carnegie Center for Transnational Studies, 1980. 40 pp.
- GRIECHENLAND, ed. by Klaus-Detlev Grothusen in co-operation with the Committee of South-East-European Studies of the German Science Foundation. Göttingen, Vandenhoeck & Ruprecht, 1980. 770 pp. (Südosteuropa-Handbuch, Bd. III.) DM. 210.00.
- HANDBOOK OF LATIN AMERICAN STUDIES: NO. 41; SOCIAL SCIENCES, ed. by Dolores Moyano Martin. Austin, University of Texas Press, 1979. 796 pp. \$55.00.
- HANDBOOK OF POLITICAL CONFLICT: THEORY AND RESEARCH, ed. by Ted Robert Gurr. N.Y., The Free Press, 1980. 566 pp.
- HEADLINE SERIES. N.Y., Foreign Policy Association, 1980. \$2.00 each.
251. World population: the present and future crisis, by Phyllis T. Piotrow. 80 pp.
- THE HISTORICAL ENCYCLOPEDIA OF WORLD WAR II, ed. by Marcel Baudot and others. N.Y., Facts on File, 1980. 548 pp. \$24.95.
- THE HITLER MOVEMENT: A MODERN MILLENARIAN REVOLUTION, by James M. Rhodes. Stanford, Ca., Hoover Institution Press, 1980. 253 pp.
- INTERNAL MIGRATION SYSTEMS IN THE DEVELOPING WORLD: WITH SPECIAL REFERENCE TO LATIN AMERICA, ed. by Robert N. Thomas and John M. Hunter. Cambridge, Mass., Schenkman Publishing Co., 1980. 176 pp.
- INTERNATIONAL MONOPOLIES AND DEVELOPING COUNTRIES, by E. Nukhovich. Moscow, Progress Publishers, 1980. 302 pp.
- INTERNATIONALIZATION: AN ALTERNATIVE TO NUCLEAR PROLIFERATION? ed. by Eberhard Meller. Cambridge, Mass., Oelgeschlager, Gunn & Hain, 1980. 159 pp.
- INVESTMENT AND TAXATION: PEOPLE'S REPUBLIC OF CHINA. N.Y., Touche Ross International, 1980. 47 pp.
- IPS PAPERS. Beirut, Institute for Palestine Studies, 1980. \$2.00 each.
7. The Soviet Union and the Middle East in the 1980's, by Rashid Khalidi. 40 pp. 8. Arab economic prospects in the 1980's, by A.A. Kubursi. 29 pp.
- MANDATE FOR LEADERSHIP: POLICY MANAGEMENT IN A CONSERVATIVE ADMINISTRATION, ed. by Charles L. Heatherly. Washington, The Heritage Foundation, 1981. 1093 pp. \$12.95.
- THE MARITIME DIMENSION, ed. by R. P. Barston and Patricia Birnie. Boston, George Allen & Unwin, 1980. 194 pp.
- THE MEDITERRANEAN CHALLENGE: IV. THE TENTH MEMBER-ECONOMIC ASPECTS, by A. Pepelasis and others. Brighton, Sussex European Research Centre, University of Sussex, 1980. 215 pp. (Sussex European Papers, 7.) £4.00.
- THE MIDDLE EAST AND NORTH AFRICA, 1980-81. London, Europa Publications Ltd., 27th ed., 1980. 985 pp. (Distributed by Gale Research Co., Detroit, Mich.) \$80.00.
- MILITÄR-INDUSTRIE-KOMPLEX—GEFAHR FÜR DEN FRIEDEN: DOKUMENTATION. Dresden, Verlag Zeit im Bild (for the Friedensrat der DDR in Zusammenarbeit mit dem Institut für Internationale Politik und Wirtschaft der DDR), 1980. 113 pp.
- MINORITIES AND MINORITY PROBLEMS, by Eric Fischer. N.Y., Vantage Press, 1980. 475 pp. \$15.00.
- MOVING FROM REACTION TO ANTICIPATION IN U.S. IMPORT POLICIES, by Peter Tropper. N.Y., The Northeast-Midwest Institute, 1980. 36 pp.
- NATIONAL SECURITY SERIES. Kingston, Centre for International Relations, Queen's University, 1980.
4. Political parties and defence: the case of Iceland 1945-1980, by Robert Arnason. 67 pp. 5. Canada's European force 1971-1980: a defence policy in transition, by Larry R. Stewart. 167 pp.
- NEW DIRECTIONS IN U.S. FOREIGN POLICY: A SURVEY OF MEMBERS AND ASSOCIATES OF THE INTERNATIONAL MANAGEMENT AND DEVELOPMENT INSTITUTE, THE COUNCIL ON FOREIGN RELATIONS AND ITS CORPORATION SERVICE PROGRAM. N.Y., Council on Foreign Relations; Washington, International Management and Development Institute, 1980. v.p.
- A NEW INTERNATIONAL DIPLOMATIC ORDER, by Tom Boudreau. Muscatine, Iowa, The Stanley Foundation, 1980. 24 pp. (Occasional Papers, 24.)
- NONPROLIFERATION AND U.S. FOREIGN POLICY, ed. by Joseph A. Yager. Washington, The Brookings Foundation, 1980. 438 pp.
- THE NUCLEAR NON-PROLIFERATION TREATY: ORIGIN AND IMPLEMENTATION, 1959-1979. VOL. I, by Mohamed I. Shaker. N.Y., Oceana Publications, 1980. 470 pp.
- NUCLEAR PROLIFERATION: INTERNATIONAL POLITICS IN A MULTINUCLEAR WORLD, by Martin E. Goldstein. Lanham, Md., University Press of America, 1980. 71 pp.
- NUPI NOTAT. Oslo, Norsk Utenrikspolitisk Institutt, 1980.
188. Den sovjetiske invasjonen i Afghanistan: bakgrunn og motiver, ed. by Helen Gathe. 26 pp. 189. Terrorbalansen—hvor sikker? by Martin Saeter. 5 pp. 190. NATO options and the

972 FOREIGN AFFAIRS

- Nordic area, by Anders C. Sjaastad. 23 pp. 191. Norsk olje- og utenrikspolitikk, by Ove Narvesen. 12 pp. 192. Virkemidler, begrensninger og forutsetninger i norsk sikkerhetspolitikk, by John Kristen Skogan. 34 pp. 193. Saudi Arabia in profile: parallels to Iran? by Martin J. Yates. 13 pp. 194. Anti-satellite weapons and the strategic balance, by Svein Melby. 16 pp. 195. Krigen Irak-Iran, by Daniel Heradstveit. 14 pp.
- NUPI RAPPORT. Oslo, Norsk Utenrikspolitisk Institutt, 1980.
48. Har offentlig sektor fortrent investeringer? En sammenligning mellom Storbritannia og Norge, by Bent Vale and Nils Axel Braathen. 68 pp. 49. Economic theory and North-South negotiations on a new international economic order: a report on the Refsnes Conference, July 1980, by G. K. Helleiner. 32 pp.
- OCCASIONAL PAPERS. Braamfontein, The South African Institute of International Affairs, 1980.
- The adjustment of whites to Black rule in East and West Africa, by Ronald Watts. 9 pp. A review of the diplomatic efforts of the Western Contact Group on Namibia, 1976-1980, by André du Pisani. 8 pp. Zaire: continuing world headache, by Jonathan Kapstein. 12 pp.
- OCCASIONAL PAPERS. Vienna, Vienna Institute for Development, 1979-80.
- 79/2. Technology and employment, by Luis de Sebastian. 12 pp. 80/1. Massive transfer of resources and the development of infrastructure, by Bruno Kreisky. 4 pp. 80/2. The new international information order: development and obstacles, by Cees J. Hamelink. 26 pp. 80/3. Development cooperation—the Swedish experience and new trends, by Hans Blix. 16 pp. 80/4. The new round of global negotiations, by L.H.J.B. van Gorkom. v.p.
- THE OIL INDUSTRY AND GOVERNMENT STRATEGY IN THE NORTH SEA, by Øystein Noreng. London, Croom Helm; Boulder, Colo., The International Research Center for Energy and Economic Development, 1980. 268 pp.
- ON THE ENDINGS OF WARS, ed. by Stuart Albert and Edward C. Luck. Port Washington, N.Y., Kennikat Press, 1980. 174 pp. (National University Publications: Series in Political Science.) \$17.50.
- PAKISTAN'S NUCLEAR BOMB, by Brij Mohan Kaushik and O.N. Mehrotra. New Delhi, Sopan Publishing House, 1980. 228 pp. \$15.00.
- PAMPHLETS. Taipei, Asian Peoples' Anti-Communist League, 1980.
237. Chinese Communist industry in 1979, by Chien Yuan-heng. 37 pp. 40¢. 238. Comprehensive assessment of the 5th Plenum of Chinese Communist Party's 11th National Congress, by Tun Yung and Fang Ching. 44 pp. 60¢. 239. The delicate trend of Communist China's relations with the Soviet Union, by Yin Ching-yao. 28 pp. 30¢. 240. The reason of exodus of refugees from Vietnam and its consequences, by Lo Shih-fu. 75 pp. 80¢. 241. Higher education on China mainland since Cultural Revolution, by Wang Hsueh-wen. 119 pp. \$1.20.
- PEACE AND DETENTE: FOREIGN POLICY OF THE SOCIAL DEMOCRATIC PARTY OF GERMANY, by Dev Asopa. New Delhi, Sopan Publishing House, 1980. 259 pp. \$16.00.
- THE PERSIAN GULF STATES: A GENERAL SURVEY, ed. by Alvin J. Cottrell. Baltimore, The Johns Hopkins University Press, 1980. 695 pp. \$37.50.
- A PLOUGH IN FIELD ARABLE: WESTERN AGRIBUSINESS IN THIRD WORLD AGRICULTURE, by Sarah Potts Voll. Hanover, N.H., University Press of New England (for the University of New Hampshire), 1980. 213 pp.
- POLICY AND GOVERNMENT IN NORTHERN IRELAND: LESSONS OF DEVOLUTION, by Derek Birrell and Alan Murie. London, Gill and Macmillan Ltd.; N.Y., Barnes & Noble Books, 1980. 353 pp.
- THE POLITICAL ECONOMY OF OIL, by Ferdinand E. Banks. Lexington, Mass., Lexington Books, 1980. 241 pp.
- POLITICAL INTEGRATION IN THE COMMONWEALTH CARIBBEAN: A SURVEY OF RECENT ATTEMPTS WITH SPECIAL REFERENCE TO THE ASSOCIATED STATES (1967-1974), by Jean F. Freymond. Geneva, Institut Universitaire de Hautes Études Internationales, 1980. 142 pp. (Études et Travaux, 17.) Sw.Fr.18.00.
- POLITICAL PARTIES OF THE WORLD: A KEESING'S REFERENCE PUBLICATION, comp. and ed. by Alan J. Day and Henry W. Degenhardt. Detroit, Gale Research Company, 1980. 432 pp.
- THE POLITICS OF INTERNATIONAL AIR TRANSPORT, by Betsy Gidwitz. Lexington, Mass., Lexington Books, 1980. 259 pp.
- THE POLITICS OF INTERNATIONAL FISHERIES MANAGEMENT: THE CASE OF THE NORTHEAST ATLANTIC, by Arild Underdal. Oslo, Universitetsforlaget, 1980. 239 pp.
- THE PRESTIGE PRESS AND THE CHRISTMAS BOMBING, 1972: IMAGES AND REALITY IN VIETNAM, by Martin F. Herz. Washington, Ethics and Public Policy Center, 1980. 103 pp. \$5.00.
- A PROBLEM IN COMPARING TIME SERIES ON MILITARY EXPENDITURES IN SUCCESSIVE SIPRI YEARBOOKS, by Jan G. Siccama. The Hague, Netherlands Institute for Studies on Peace and Security, 1980. v.p.

SOURCE MATERIAL 973

- PROBLEMS OF CONTEMPORARY MILITARISM, ed. by Asbjørn Eide and Marek Thee. N.Y., St. Martin's Press, 1980. 415 pp.
- PROPOSALS FOR THE SOLUTION OF THE MOST IMPORTANT STRUCTURAL, ECONOMIC AND FINANCIAL PROBLEMS OF THE ARAB REPUBLIC OF EGYPT: REPORT TO THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT ANWAR EL SADAT, presented by Alex Möller and others. Berlin, German Development Institute, 1980. 159 pp. (Occasional Papers of the German Development Institute, 63.)
- RESEARCH REPORTS. Washington, International Food Policy Research Institute, 1980.
18. The economics of the international stockholding of wheat, by Daniel T. Morrow. 46 pp.
19. A comparative study of FAO and USDA data on production, area, and trade of major food staples, by Leonardo A. Paulino and Shen Sheng Tseng. 78 pp.
- RHODESIA-ZIMBABWE: FRA CECIL RHODES OG IAN SMITH TIL ROBERT MUGABE, by Mogens Kofod-Hansen. Copenhagen, Schultz Forlag (for Det Udenrigspolitiske Selskab), 1980. 48 pp. (Udenrigspolitiske Skrifter, Serie 14, nr. 4/1980.) Kr.17.00.
- THE ROOTS AND REACHES OF UNITED NATIONS ACTIONS AND DECISIONS, by Moses Moskowitz. Rockville, Md., Sijthoff & Noordhoff, 1980. 210 pp.
- ROUNDTABLE REPORTS. N.Y., East Asian Institute, Columbia University, 1980. \$3.50 each.
1. Japan, the United States, and Asia's newly industrializing countries: discussion with James Abegglen. 53 pp. 2. The International energy crisis and its implications for the United States and Japan: discussion with Charles A. Zraket. 38 pp. 3. The United States and Japan: issues for the 1980s. 47 pp.
- SIGNIFICANT ISSUES SERIES. Washington, U.S. Export Competitiveness Project, The Center for Strategic and International Studies, Georgetown University, 1980. \$4.00 each.
- Vol. II. No. 9. U.S. export competitiveness in manufactures in Third World markets, by Raymond F. Mikesell and Mark G. Farah. 144 pp. No. 10. The impact of the Tokyo Round Agreements on U.S. export competitiveness, by Thomas R. Graham. 66 pp. No. 12. U.S. productivity and competitiveness in international trade, by Thibaut de Saint Phalle. 117 pp.
- SO IT WAS TRUE: THE AMERICAN PROTESTANT PRESS AND THE NAZI PERSECUTION OF THE JEWS, by Robert W. Ross. Minneapolis, University of Minnesota Press, 1980. 374 pp. \$20.00.
- SOLZHENITSYN AT HARVARD: THE ADDRESS, TWELVE EARLY RESPONSES, AND SIX LATER REFLECTIONS, ed. by Ronald Berman. Washington, Ethics and Public Policy Center, 1980. 143 pp. \$5.00.
- SOUTH AND SOUTH-EAST ASIA, 1945-1979: PROBLEMS AND POLICIES, by B. N. Pandey. N.Y., St. Martin's Press, 1980. 236 pp. (The Making of the 20th Century.)
- SOZIALISMUS & ENTSPANNUNG, ed. by Manfred Müller and Martin Winter. Berlin, Staatsverlag der Deutschen Demokratischen Republik (for the Institut für Internationale Beziehungen, Potsdam-Babelsberg, and the Institut für Internationale Politik und Wirtschaft, Berlin), 1980. 245 pp.
- THE SPITSBERGEN (SVALBARD) QUESTION: UNITED STATES FOREIGN POLICY, 1907-1935, by Elen C. Singh. Oslo, Universitetsforlaget, 1980. 244 pp.
- STREIKS IM STAATSMONOPOLISTISCHEN KAPITALISMUS, by Sylvia Anders. Berlin, Institut für Internationale Politik und Wirtschaft der DDR, 1980. 144 pp. (IPW-Forschungshefte, 3/1980.)
- SYRIA AND THE LEBANESE CRISIS, by Adeed I. Dawisha. N.Y., St. Martin's Press, 1980. 208 pp. \$25.00.
- TAKING ROOT: ISRAELI SETTLEMENT IN THE WEST BANK, THE GOLAN AND GAZA-SINAI, 1967-1980, by William Wilson Harris. N.Y., Research Studies Press, 1980. 223 pp. (Geographical Research Studies Series, 1.)
- TOWARDS AN INTERNATIONAL POLITICAL ECONOMY FOR THE 1980s: FROM DEPENDENCE TO (INTER)DEPENDENCE, by Timothy M. Shaw, with comments by Robert O. Matthews and Robert McKinnell. Halifax, Nova Scotia, Centre for Foreign Policy Studies, Dalhousie University, 1980. 90 pp.
- TRANSATLANTIC PARTNERSHIP FOR THE 80's: A CONFERENCE DIALOGUE AT PORT CHESTER/N.Y., Oct. 26th-28th, 1979, ed. by Alfred Nau. Bonn, Friedrich-Ebert-Stiftung, 1980. 88 pp.
- TRANSNATIONAL TERRORISM: A CHRONOLOGY OF EVENTS, 1968-1979, by Edward F. Mickolus. Westport, Conn., Greenwood Press, 1980. 967 pp.
- U.S. FOREIGN RELATIONS: A GUIDE TO INFORMATION SOURCES, by Elmer Plischke. Detroit, Gale Research Company, 1980. 715 pp. (American Government and History Information Guide Series, 6.)
- U.S. GLOBAL LEADERSHIP: THE PRESIDENT AND CONGRESS, ed. by David M. Abshire and others. Washington, The Center for Strategic and International Studies, Georgetown University, 1980. 96 pp. (Special Supplement, The Washington Quarterly.)

974 FOREIGN AFFAIRS

- U.S. STRATEGIC-NUCLEAR POLICY AND BALLISTIC MISSILE DEFENSE: THE 1980s AND BEYOND, by William Schneider, Jr. and others. Cambridge, Mass., Institute for Foreign Policy Analysis (for the Ballistic Missile Defense Advanced Technology Center), 1980. 61 pp. (Special Report.) \$6.50.
- U.S. THREATS OF INTERVENTION AGAINST ARAB OIL: 1973-1979, by Marwan Buheiry. Beirut, Institute for Palestine Studies, 1980. 71 pp. (IPS Papers, No. 4.) \$2.00.
- THE UNNOTICED CHALLENGE: SOVIET MARITIME STRATEGY AND THE GLOBAL CHOKE POINTS, by Robert J. Hanks. Cambridge, Mass., Institute for Foreign Policy Analysis, 1980. 68 pp. (Special Report.) \$6.50.
- VÄRLDSPOLITIKENS DAGSFRÅGOR. Stockholm, Utrikespolitiska Institutet, 1980. Kr. 14.00 each.
7. Befolkningsperspektiven—för Europa och världen, by Erland Hofsten. 29 pp. 8. Spillrorna efter Idi Amin, by Ian Matheson. 31 pp. 9. Det fria Zimbabwe, by Claes-Adam Wachtmeister. 36 pp. 10. Morgondagens krig? by Julian Lider. 27 pp. 11. Vad vill Sovietunionen? by Lena Jonson. 32 pp.
- VERIFICATION AND SALT: THE CHALLENGE OF STRATEGIC DECEPTION, ed. by William C. Potter. Boulder, Colo., Westview Press, 1980. 256 pp. (Westview Special Studies in National Security and Defense Policy; Studies in International and Strategic Affairs Series of the Center for International and Strategic Affairs, University of California, Los Angeles.)
- VIETNAMESE COMMUNISM IN COMPARATIVE PERSPECTIVE, ed. by William S. Turley. Boulder, Colo., Westview Press, 1980. 271 pp. (Westview Special Studies on South and Southeast Asia.)
- THE WASHINGTON PAPERS. Beverly Hills, Ca., Sage Publications (for The Center for Strategic and International Studies, Georgetown University), 1980.
77. Ecological politics: the rise of the Green Movement, by J. F. Pilat. 96 pp. 78. Religion in the Soviet Union, by Albert Boiter. 88 pp. 79. Congressional leadership: seeking a new role, by Richard E. Cohen. 88 pp. 80. The Senate and national security: a new mood, by Joshua Muravchik. 88 pp.
- WESTERN SECURITY: WHAT HAS CHANGED? WHAT SHOULD BE DONE? by Karl Kaiser, Winston Lord, Thierry de Montbrial and David Watt. N.Y., Council on Foreign Relations, 1981. 48 pp.
- WIRTSCHAFTLICHES WACHSTUM IN DER BUNDESREPUBLIK DEUTSCHLAND: EIN TEST DER "LEARNING-BY-DOING"-HYPOTHESE, by Klaus W. Schüler. Berlin, Duncker & Humblot (for the IFO-Institut für Wirtschaftsforschung), 1980. 118 pp. (Schriftenreihe, 104.)
- WORKERS' RIGHTS, EAST AND WEST: A COMPARATIVE STUDY OF TRADE UNION AND WORKERS' RIGHTS IN WESTERN DEMOCRACIES AND EASTERN EUROPE, by Adrian Karatnycky, Alexander J. Motyl and Adolph Sturmthal. New Brunswick, Transaction Books (for the League for Industrial Democracy), 1980. 150 pp.
- WORLD MILITARY AND SOCIAL EXPENDITURES 1980, by Ruth Leger Sivard. Leesburg, Va., World Priorities, 1980. 35 pp. \$3.50.
- THE YUGOSLAV ECONOMIC SYSTEM AND ITS PERFORMANCE IN THE 1970s, by Laura d'Andrea Tyson. Berkeley, Institute of International Studies, University of California, 1980. 112 pp. (Research Series, 44.) \$4.50.

ERRATUM

America and the World 1980

1. In "The Middle East: A Year of Turmoil," on p. 564, second full paragraph, line five, delete the word "side."